Friday November 24 1989

karan karangan dan karang

No.31.007

World News E Germany to make unilateral arms cuts

EAST GERMAN arms negotiators announced in Vienna that their country would make more unilateral cuts over the coming year regardless of the outcome of the Conventional Forces in

Europe talks. Diplomats at the negotiations have also agreed to hold a high-level meeting devoted to discussing the military doc-trines of both Nato and the Warsaw Pact. Pege 3

indian inquiry called The Indian Election Commission ordered an inquiry into election violence in the Amethi constituency of Uttar Pradesh where Prime Minister Rajiv Gandhi is pitted against Raj Mojan Gandhi, grandson of Mahatma Gandhi. Page 22

Lebanon tries again Lebanese MPs were summoned to northern Lebanon in an attempt to elect a successor to President Rene Moawad who was assassinated in West Bei-rut on Wednesday. Page 22

Millions may starve Four million people in northern Ethiopia, trapped behind the lines of civil wars, are facing possible starvation after a drought laid waste many of the region's crops. Page 4

Taiwan campaigns Campaigning started in Taiwan for polls on December 2, the first politically significant general election in the country's 40 year history.

Israelis bomb bases Israeli aircraft bombed two bases of Ahmed Jibril's hardline Popular Front for the Liberation of Palestine - General Command near the village of Sultan Yaqouh, four miles west of the Lebanese-Syrian border in Lebanon. Page 4

Missile row brows

France is understood to be ref using to provide further information to the British Government on a planned new range of air defence missiles until the UK decides whether to join tae project or opt for a US-led alternative. Page 22

Swiss vote on army Swiss opinion polls indicate that a quarter or more of the electorate may support a referendum proposal on Sunday to abolish their army.

Bush reassurance President Bush reaffirmed US commitment to Western Europe and Nato on the eve Britain's Prime Minister Margaret Thatcher. Page 6

Minister to quit

Roger Donglas, the former Finance Minister credited with reform of New Zealand's economic policy between 1984 and 1988 who gave his name to "Rogernomics", said he is to retire from arliament before next year's alections. Page 4

Marines missing Two US Marine pilots were

missing after their helicopter crashed into the sea and sank off the coast of Spain.

Inegalité française France has witnessed an increasing disparity between high and low incomes over the last decade despite there being e socialist government for most of that time, an official survey says. Page 2

MARKETS ...

STERLING

\$1.562 (1.565)

DM2,8375 (2.8325)

FFr9.665 (same)

yeslerday: Page 23

London:

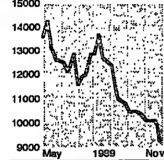
Business Summary BP sells its South African coal interest for \$225m

BP sold its South African coal mining interests to Anglo American Coal, South Africa's higgest coal company, for \$225m (R590m) as part of an asset disposal programme that looks set to exceed \$6.5hn this vear. Page 23

NICKEL: On the London Metal Exchange, nickel hit 21-month lows in the morning before recovering some of its losses

Nickel

Cash metal (\$ per tonne)



in the afternoon, Cash metal closed at \$9,275 a tonne, down a \$100 after falling \$500 a tonne on Wednesday. Commodities,

COMPAGNIE de Navigation Mixte: the FFr25.6hn (\$4.06bn) takeover bid by French investment bank Paribas for the food to financial services conglomerate, bas developed into an argument over the proper application of France's new takeover rules. Page 23

POLIET, diversified French building materials group, launched a complex FFr2.14bn (\$343m) takeover for Lambert Frères, the supplier of con-struction products which recently returned to profit.

BANCO Comercial Portugues Portugal's leading private bank, will double its share cap-ital next month and offer shares to foreign financial institutions for the first time.

MEXICAN insurance compapation of up to 49 per cent under legislation submitted hy President Gortari to the Chamber of Deputies.

STOCKHOLM stock exchanges a government committee recommended that the exchange be allowed to expand to include trading of options and debentures. Page 28

BANQUE Bruxelles Lambert one of Belgium's biggest com-mercial banks, posted a 20 per cent increase in 1988-89 profits.

EC quotas: the European Com-mission is asking EC govern-ments to agree to enlarge textile and steel import quotas for Poland and Hungary and to give them temporary prefer ential access on the Community market for other products.

AUSTRALIA reported its second worst monthly current account deficit in history during October, pushing the run-ning total for the first four months of the financial year 46 per cent ahead of last year's

record. Page 4 **COMPAGNIE Financière** Richemont, Zug-based concern set up in late 1988 hy South Africa's Rembrandt Group as an independent holding company for its foreign interests, announced a 38.3 per rise in first-half attributable net earn-

ings. Page 30 CABLECASTING: Canada's largest privately owned cable TV system, potentially worth between C\$350m (\$300m) and C\$400m is to be put np for sale Page 26

MARKETS: US and Japane markets were closed yesterday for public holidays.

STOCK INDICES

2.220.5 (+28.2)

1,754.1 (+ 19.7)

FT-A All Share:

1,113.02 (+1.0%)

Dec 913 (9033)

FT Ordinary:

FT-SE 100:

Pressure intensifies for Czech leadership to quit

By John Lloyd in Prague

MORE than 300,000 demonstrators jammed Pregue's Wencesias Square last night for the seventh successive day to demand the resig-nation of Czechoslovakia's Communist Party leadership on the eve of a crucial meeting of its Central Committee.

At the same time, Mr Alex-ander Duhcek, the former Czechoslovak leeder deposed after the Soviet invasion of 1968, addressed tens of thousands of demonstrators in Bratislava, the country's second city. Mr Duhcek, who has called for the resignation of the Party leadership, is beginning to emerge as a possible leader of the opposition movement.

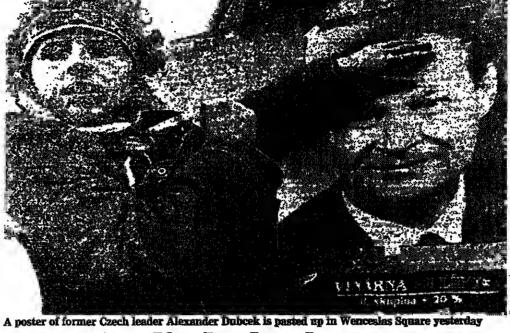
There were conflicting signs yesterday ebout how the Communist Party will respond at todey's Central Committee meeting to growing demands for reform being voiced both on the streets and within the Party.

Yesterday's rally in Prague was the largest so far in the country's capital. Mr Vaclav Havel, Czechoslovakia's leading dissident, told the rally: We will never return to the old system of totalitarian rule." He also called on the nation's military and police forces "to stand hy the people for the Mr Havel told the crowd that

"we will never give up our ideal of a free, democratic and prosperous Czechoslovakia – no matter what happens."
Today's Central Committee meeting is widely expected to result in several changes in the Communist leadership, includ-ing the possible ousting of the Party leader, Mr Milos Jakes. Mr Miroslav Stepan, Prague's Communist Party chief, who is considered to be a bardliner close to Mr Jakes, implied yes-terday that some people in the leadership might lose their jobs because of the unrest. He added, bowever, that "these are not changes made under pressure." He was addressing factory workers in

Prague, according to the state-run CTK news agency. Mr Ste-pan said that in no country are decisions taken emotionally, without sober assessment as to who should leave the highest positions, and when." in a strongly worded state-ment carried by CTK last night, the Czechoslovak mili-tary declared that it stood ready to "defend the achievements of socialism. We reject the anarchy spread by anti-so-cialist forces from within and abroad. We actively support the efforts of the Central Com-

mittee, the federal government



Dubcek climbs back on stage

ALEXANDER DUBCEK'S address last night constitutes a dramatic reappearance on the political stage he was forced to leave 21 years hy the Soviet invasion that ended the

1968 Prague Spring. Mr Duhcek is often described outside Czechoslovakia as the man who tried to introduce Gorhachev-style reforms a decade and a half ago, before President Gorbachev came to power. After taking over from Mr

Antonin Novotny in January 1968, Mr Dubcek introduced a package of reforms remarkably similar to the one that Mr Gorbachev has introduced in the Soviet Union in recent years. First, Mr Dubcek freed his country's media to report openly on all matters of public life. Censorship was ended,

and the majority of our working people."
This may indicate the deter-

mination of the country's hard-line leaders not to give way to the demonstrators. Among military leaders said to have endorsed the statement was Mr Milan Vaclavik, the Defence Minister.

Earlier in the day, security forces were reported to have taken over the country's main public discussion was expan-ded, the Communist Party's role was reduced and foreign travel restrictions lifted.

But, as in the Soviet Union today, Mr Duhcek's programme of political reform was intended to allow for appurality of views within the party rather than a multi-party system. Mr Dubcek was not about to abandon the leading role of the party

the leading role of the party. Nevertheless, his policies angered the Kremlin, even though President Leonid Brezhnev had initially told Mr Dubcek that he was free to do what he wanted in his own

On the night of August 21 that year, the Prague Spring came to an end. Soviet troops invaded with the help of Czechoslovakia's Warsaw Pack

had insisted on hroadcasting live coverage of the demonstra-tions in Wenceslas Square. reported.

However, Mr Libor Batrla, a television director, later denied these reports.
Mr Jakes, meanwhile, hinted that he would not suppress the street demonstrations. He told a delagation that the leadership "will use political means to halt the negative develop-

neighbours. Mr Dubcek and his colleagues were held at gunpoint by Soviet soldiers in the Central Committee building. They went to Moscow and were forced to sign a docu-ment approving the invasion. Nine months later, Mr Dub-cek was replaced by Gustav Hasels are his Bulthard

Husak, one of his Politburg colleagues who had supported ular West Germany and the the invasion. Mr Dubcek was expelled from the Party in 1970, recal-led from a brief assignment as

Ambassador to Turkey and sent back to his native Slo-vakia to finish his working career as a clerk in a forestry

For the last two decades he has remained in political isolation, although he recently has been allowed to travel abroad and give interviews.

ment in society," CTK

 A court in Bratislava dropped a subversion charge against one leading dissident. Czechoslovak Radio said the court had dropped the charge against Mr Jan Carnogursky who was arrested in August after he had helped to organise a petition urging the Commu-nist authorities to begin politi-cal dialogue with its critics.

Brussels to ease takeover barriers within Europe

By Lucy Kellaway in Brussels

THE European Commission yesterday promised to speed up existing legislation and introduce measures to knock down barriers to corporate takeovers in Europe.

surance comes on the eve of the publication of a report supporting the UK Gov-erment's case that serious obstacles exist to potential bidders in all EC countries with the exception of the UK, and to a lesser extent, France-mak-ing companies in those two countries more vulnerable to takeovers.

The report by accountants
Coopers and Lyhrand concludes that the most serious
obstacles to takeovers are
embedded in the structure of
the markets — with managements directly or indirectly controling the share capi-tal – and which therefore can-

not easily be removed by EC legislation.

The UK document will add substance to the Government'a demand for a "level playing field" in takeovers and to its complaint that continental hidders can hay UK companies with an ease that is not reciprocated. It will be followed later this year hy a report pre-pared for the Commission

which draws similar conclu-The Commission said that it would produce proposals to strengthen the rights of share-holders by next March. If accepted hy members these could involve fundamental changes in the markets of some member states, in partic-

Netherlands, where the barri-

D 8523A

Netherlands, where the harriers to takeovers are particularly high.

The suggested measuraa could include:

ensuring that directors can he dismissed hy a simple majority of shareholders;
reducing the ability of target companies to huy their own shares without sharholder approval:

approval

approval;

limiting the practice of cross-shareholding.

The announcement shows that Brussels is granting takeover legislation an increasingly high priority as 1992 approaches.

Mr Martin Bangemann, commissioner, regroundly for the

missioner responsible for the internal market, told industry ministers that existing legisla-tion on takeovers and the stru-cuture of public companies must be hastened.

Last year 73 per cent of take-overs in value terms in Europe were of British companies, 10 per cent French and 5 per cent Italian. Of the 26 hostile take-overs recorded, 23 were in the UK, with one each in France, Italy and the Netherlands.

In countries where shares were widely enough held to make takeovars possi-ble – mainly in West Germany and the Netherlands – a series of technical barriers exists to prevent them. These include two-tier board structures, which makes it difficult for shareholders to change the management, limits to voting rights, powers to issue non-vot-ing shares and a lack of access Continued on Page 22

US backs 35% rise in IMF resources

By Peter Riddell, US Editor, in Washington

35 per cent increase in the resources of the International Monetary Fund - less than other leading industrial countries had expected or hoped. However, this appears to be an initial negotiating position and further intensive talks are

expected soon, with European monetary officials still talking of a rise of around 50 per cent as a compromise.

President George Bush has authorised the US Treasury to participate in negotiations on an increase in IMF quotas, or membership subscriptions, fol-

THE US is prepared to back a lowing a lengthy debate within the Administration. This ends a long period of silence over US intentions which has held up interna-

A 2

....

be completed by the end of this A Treasury spokesman said that the US had indicated to other countries its support for a 35 per cent increase. This decision was conveyed at a meeting in London of senior monetary officials attended by

Mr David Mulford, the US

under-secretary for interna-

Continued on Page 22

UK trade deficit falls to £1.5bn as export growth accelerates

By Peter Norman, Economics Correspondent, in London

BRITAIN'S current account balance of payments deficit fell for the third successive month in October raising hopes that the country's trade performance may be improving.

The current account deficit declined to a seasonally

adjusted £1.54hn (\$2.4bn) last month from £1.62hn in September and was below market expectations of a £1.7bn short-fall. October's current account gap wes also sharply lower than this year's high of £2.26bn in July and the record £2.33bn deficit of October 1988.

Although both imports and exports fell in value terms by

just over 4 per cent last month, the figures for the past three months showed strong under-lying growth of British exports. In volume terms, exports of goods, other than oil and erratic items such as ships, aircraft and precious stones, rose hy 10 per cent in the three months to October compared with August to October a year ago, while imports increased by 8 per cent.

UK trade deficit

1988 "I always thought October would be the last of the shockhorrors," commented Mr Peter Spencer, UK economist of Shearson Lehman Hutton. "There are some quite spectacular figures among the nit-ty-gritty, with consumer goods exports rising 20 per cent in volume terms, he said. The Engineering Employers Federation said the figures

were "encouraging for the UK manufacturing industries at a time when the prospects for the rest of the UK seem disheartening." Last month's fig-ures were "part of a developing trend and not just an untypi-cally good month," the federa-

Although the latest figures added credibility to govern-ment forecasts of a decline in the current account deficit next year to £15bn from a projected £20hn this, analysts agreed that any return to cur-rent account balance would be a lengthy process.

Britain's current account deficit for the first 10 months

of this year increased to £17.05bn from £11.59bn in the same period of 1988 and was well above the £14.62bn deficit for the whole of last year.

The visible trade deficit in the first 10 months totalled £20.4bn compared with last Continued on Page 22 Government bonds, Page 28-29; Currencies, Page 42; London stock market, 35



CONTENTS The writing is now



Deng Xleoping, Chine's supreme leader has tried to ensure a compromise between e political hard line and e small does of economic reform, but this ie unlikely to outlive him.

Art, New York Editorial comment: Keeping Gatt on track; Alas, poor Lebenon Lombard: A triumph of whose values? ... Survey: Ueing computers in Business Financial Futures Stock Markets
-Wall Street
-London ----

Hungary: Rug pulled from under the Commu-

Hong Kong: China to take hard line on democracy timetable

Trade: East Europe in need of export lifeline .5

Art: Caneletto et the Metropolitan Museum of

SFr2.525 (2.52) COLD Y225.25 (224.75) LONDON MONEY £ index 87.0 (87.1) \$411.75 (408.25) 3-month interbank: closing 15 1/2 % (15 1/2) N SEA OIL (Argus) Liffe long gilt future: Brent 15-day Jan \$18.375 (18.575) Chief price changes

MARKET REPORTS: CURRENCIES, Page 42, BONDS, Pages 28, 29 COMMODITIES, Page 34; EQUITIES, Pages 35 [London], 43 (World)

DOLLAR

DM1.816 (1.81)

FFr6. 1875 (8.17)

SFr1.618 (1.6105)

Y144.25 (143.65)

S Index 69.6 (same)



23,26

rts-Reviews ... World Guide

Commercial Law ...

28-29 28-29 ... 21 ... 22 ... 25 ... 42

Government

sworn in

for Greece

reflects parties' strength in Parliament, with Conserva-tives taking eight portfolics.

the Socialists seven, and the Communists three. The other

ministers are technocrats and academics who were in the

caretaker Government.

Mr Zolotas, who is 85 and
will serve until fresh elections
in April, said his Government's

task would be to reduce infla-

tion and the record public sec-tor deficit, attract foreign capi-

tal and improve the education system, thrown into confusion by the former Socialist Govern-

ment's efforts to modernise

teaching and research.
The economic portfolios

have been shared among three politicians who last week drew up a consensus programme.

A leading Socialist, Mr Giorgos Gennimatas, was appointed Economy Minister.

appointed Economy Minister, with a Communist, Mr Yamis Dragasakis, as his deputy. The Finance Ministry went to Mr Giorgos Souflias of the Conservative New Democracy party. The youngest cabinet member is the Fereign Minister, Mr Antonis Samaras, at 38 a fast-

Autonis Samaras, at 38 a fast-

rising Conservative. His dep-

uty, who will handle European Community affairs, is Mr Yan-nis Pottakis,

Blow for Krenz as Bonn shelves German summit

By David Marsh in Bonn

on economic aid from the Federal Republic after the date for an East-West German summit meeting was shelved until tha New Year.

Mr Haps Klein, the Bonn government spokesman, said that Chancellor Helmut Kohl was now unlikely to visit East Germany for talks with the leadership there until January. Mr Kohl had earlier wanted to travel to East Germany next

Difficulties in arranging dates have been put forward as the reason for the delay, in view of a potential clash with a state visit to East Berlin by President François Mitterrand between December 20 and 22.

However, Bonn also has doubts about whether Mr Egon krenz, the East German party leader, will remain in power in East Berlin after the special congress of the Socialist Unity (Communist) Party in East

THE East German government yesterday suffered a setback to hopes of an early breakthrough Rudolf Seiters, Minister in the Bonn Chancellor's Office, failed to resolve several knotty questions over financial help.

At the same time as Bonn revealed the travel plan hold-up, the East Berlin authorities announced wide-ranging controls to limit a run on the East Mark and about accommic damage. check economic damage stemming from East Germany's border opening a

fortnight ago. To counter unauthorised exports of cheap subsidised goods, retail sales of a large number of industrial products, clothing and food items will be desired in instead to Fast German strictly limited to East German citizens and authorised foreign

The measure, which takes effect today, is designed to prevent foreigners, particularly Poies and members of the allied forces in West Berlin, from huying up goods with cheap East Marks for re-sale outside the country.

Customs controls at the new border posts leading to West Berlin and the Federal Republic sre to be strengthened, according to Mr Wolfgang Meyer, the East Berlin government spokesman.

Mr Meyer firmly quashed talk of s currency reform or a devaluation of the East Mark to restore the health of the East German currency.

He said the East German government planned to cut subsidies and hring in measures to boost production of coasumer goods, but "time would be needed".

East Germany has become increasingly restive about Bonn's insistence that fresh new flows of economic aid will in East Berlin to bring in market disciplines in running the economy. Mr Meyer said that talks were continuing on Bonn's suggestion of setting up e joint "foreign exchange fund" to finance travel by East Germans to the West.



A sign of the times: incriminating files at the headquarters of Hungary's former ruling Socialist Workers' Party are destined for the pulping mill.

Inequality grows in 'socialist' France

By lan Davidson in Paris

FRANCE has had a socialist President since 1981, and a socialist government for all but two of those years. During this period, one might reasonably have expected progress towards social and economic equality. In fact, the reverse has taken place, according to the latest income survey published by the government. During the previous 25

years, there was a long-term trend towards narrower income differentials between different social groups. This narrowing of differentials was greatest during the period of rapid economic growth, and intensified after 1968; but the trend was not apparently broken by the economic crisis of oil-shock stagilation of the

In the past decade, hy contrast, the spread of incomes has started to open up again. The rich have got richer, the poor have got poorer, property-owners have done better than wage-earners and - most striking of all - the old have done better than the

young.
This pattern of a widening gamut of incomes may well be an unavoidable if unplanned consequence of the industrial restructuring and the financial liberalisation, which France has been obliged to undertake on the road between the oil crisis and the Single European

If the trend were to continue. however, it could face the government with significant problems of credibility vis-à-vis its traditional electors. Already, the most persistent difficulty facing the government of Mr Micbel Rocard has been the recurrent wave of industrial strikes and go-slows by discontented workers, mainly in the public sector, demanding more

Evidence of widening inequalities is politically easier

to accept when France seems set to enjoy fairly rapid growth over a fairly long period; this is no doubt a large part of the explanation for the Prime Minister's popularity in the country at large. The problem is that there is an underlying tension between a socialist President and a socialist party

hacking a social democrat Prime Minister whose policy is almost conservative. Moreover, as the new report points ont, it is the young who have paid a significant part of the price for the recovery from the crisis of the 1970s. For the first time since the war, a new generation has joined the workforce on less favourable terms than its predecessor, in terms both of johs and of

In general, wage restraint has been the key-note of the 1980s: between 1982 and 1986 average wages lost 2 per cent of purchasing power. But white-collar workers were less

affected by wage restraint than hlue, and the higher up the management ladder, the greater the widening of the gamut of incomes.

During the 1980s, France has incressingly become a property-owning democracy. In property-owning democracy. In 1979, 20 per cent of households admitted having unearned income, and by 1984, the proportion had risen to 28 per cent; the proportion is undoubtedly higher today, as a result of the privatisations carried out by the Gaullist government in 1986-87. government in 1986-87.

At the same time, it is the rich who have done best out of the property boom: in 1984, the top slice of taxpayers received 44 per cent of their income from property, and by 1987 the proportion had risen to over 46

Les Français et leurs Revenus, Centre d'Etude des Revenus, La Documentation Française, FF7140

Bundesbank in EMS call

By Andrew Fisherin

WEST GERMANY'S Bundesbank yesterday said the European Monetary System should he strengthened to improve it as a basis for further steps towards monetary integration, also making clear that it felt scope for future realignments should not be blocked for political reasons.

Since last year, inflationary tendencies and the risks for the cohesion of the EMS had increased, it said in its monthly report, Thus tha "disinflation process" among EMS members and the efforts at economic convergence were not complete.

not complete.

The exchange rate mechanism itself did not itself guarantee lasting price stability, the central bank said.

This had to come from domestic efforts. Nominal exchange rates in the EMS could only be constant if the according basis was solid. economic hasis was solid

Disaffection in the Swiss ranks

William Dullforce on Sunday's referendum

endum proposal on Sunday to abolish their army.

A change in the constitution to read: "Switzerland has no army" would be a portentous result in a country where prac-tically every adult male citizen keeps a uniform and weapon at Mr Kaspar Villiger, the Defence Minister, has warned

that a vote of more than a third in favour of the proposal would weaken the country's international standing. Switzerland's militia army, which can mobilise 625,000 citi-

zen soldiers in about 43 hours, has long been regarded as a crucial unifying force in the confederation of multilingual cantons.

Domestically, the camarade-rie of the army pervades Swiss society; its hierarchy and disci-pline strongly influence the economic structure. Success as an army officer can advance a

career elsewhere. Switzerland's citizen soldiers are equipped with more than 800 tanks, including the latest German Leopards, 1,300 armoured infantry carriers (as well as bicycles), about 900 mobile artillery units, 2,400 guided anti-tank missile weapgnited anti-tank missile weap-ons and 1,300 anti-tank guns. They fly almost 300 combat air-craft and have just ordered the latest US F-18s. They have built runways, artillery posts and ammunition depots in hidden Alpine caverns.

This army costs just under

By Kerin Hope in Athens GREECE'S NEW all-party Government, led by Mr Xeno-phon Zolotas, a former central SWISS OPINION poils indicate that a quarter or more of the electorate may support a referendum proposal on Sunday to SFr8bn (£3.2bn) a year. Defence spending, the Government claims, has come down from 15.5 per cent of the total hudget bank governor, was sworn in yesterday with a brief to carry out much-needed economic and in 1960 to 7.7 per cent this year, at the same time as spending educational reforms during its on social services and health five months in power.

The 26-member cahinet

cent to 27.6 per cent. When members of the Socialist youth organisation launched a campaign for a national referendum in 1986, their project was widely dis-missed as crazy. Three years later, electors are about to vote after a thorough and (by stolid Swiss terms) passionate

has advanced from 20.2 per

The referendum may be doomed to defeat but it has clearly provoked a re-thinking of the Confederation's defence priorities and promises to stimulate changes of attitude within the military hierarchy, not least towards the treatment of conscientious objections. tors. Many of the latter have to serve prison terms without being offered the alternative of civilian service.

Despite the backing it has won from some unexpected quarters, the referendum has heen opposed by almost the entire political establishment.

The Federal Council (Government). Parliament and the three hig bourgeois parties who hack the Government have all formally and sternly rehuffed the proposal. The Socialists, who participate in the governing coalition, have left their party members free

FINANCIAL TIMES

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Plea on European unity

By lan Davidson

THE Action Committee for Europe, the prestigious pres-sure-group for European integration, yesterday urged a decisive step towards economic and monetary union, calling on the 12 member governments to set a date for an inter-governmental conference at the Strasbourg summit next month. The Committee includes 42 leading politicians from all EC countries. Its move was judged sig-nificant in that it secured the support of Mr Alfred Dregger, floor leader of the Christian

Democrat party in the German Bundestag. The outcome of the summit is likely to depend on whether Chancellor Helmut Kohl supports French demands for a firm decision on Economic and Monetary Union. The fact that Mr Dregger was won over to the integrationist point of view by fellow members of the Committee, is likely to be seen hy the French government as an encouraging omen for their point of view at the Strasbourg summit.



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E Germans will make unilateral cuts in forces

By Judy Dempsey in Vienna

cnts over the coming year regardless of the outcome of the Conventional Forces in Europe (CFE) talks in Vienna.
At the same time, diplomats at the negotiations have agreed

to hold a high-level meeting devoted specifically to discuss Pact. This will be held in Vienna from January 16 to February 5 and will be attended by both alliances' most senior military advisers. "East and West now need a new security concept," said Mr. Klaus-Dieter Ernst, head of the East German delegation. "Given the changing revoke. "Given the changing psychological and political climate in Europe . . . a new perspective on security for our continent is

He added that over the next year, East Germany would demobilise more than 5,900 sol-

EAST GERMAN arms diers, on top of the 4,100 negotiators anniounced here yesterday that their country would make more unilateral 178 more tanks would be destroyed over the same period, in addition to the 432 already in the process of being

> certain compromises omitted. It is understood that the alli-ance, which had considered including light tanks in any future reductions, has dropped this, and will only focus on reducing Main Battle Tanks.

any more, reports Leslie Colitt

A bust of Lenin was this week removed from the hall of the philosophy faculty of Charles University in Prague and replaced by a builetin and replaced by a bulletin board with notices of student strikes. Over it hung a photo-copled portrait of Tomas Masa-ryk, the bourgeois "father" of modern Czechoslovakia. When Czechoslovakia display

their red, white and blue flag, the "trikolore", on their cloth-ing or draped over the statue of St Wenceslas in the centre of Prague it means one thing: the return to pre-war, humanistic Czechoslovak values. Fittingly, the model of striking students of journalism at the university is: "We want to write the

"Communism is a good idea - equality - but it failed in practice," a middle-eged man from Tetlice, in northern Boh-

At school he was never given an "honest" answer about Masaryk's historical role. But his father and grandfather had told him enough about the beloved Czechoslovak leader for him to know that the Com-munist authorities feared his

The demonstrations which began at Charles University lest Friday have become a popular upheaval of a very Czech kind. At first, student notices pasted up on the walls of Prague were read mainly by other young people. Most passers by over 40 ignored them despite a sign on the base of the statue of St Wenceslas: "Parents, come with us, we are your chil-

Many workers still look suspiciously at the walls of the Prague Underground covered with closely-typed manuscripts and demands for a general strike on Monday.

The students were the conscience of a people who were cowed into submission after the 1968 invasion by Warsaw Pact forces. The citizens of all ages who gathered yesterday to read the manifestos, demands and strike notices covering much of central Prague are now a cross-section of the pop-

Discipline in the Communist Party of Czechoslovakia is unravelling at a furious pace. The supporters of the belea-guered Communist Party are fewer than ever. The party organisation at the philosophy

Meanwhile, despite earlier attempts by Nato this month to agree on a draft treaty to be presented to the CFE, it appears that original draft document has been toughened and contain appearantees confitted.

warsaw Pact diplomats yes-terday argued that if light tanks – which the Pact wants discussed at the CFE talks – were not included in the nego-tiations, then Nato countries could possibly circumvent any final treaty by increasing their tanks' technological sophistica-tion.

Rug pulled from Hungary's communist reformer

Party rivalry has undermined Imre Pozsgay's hopes of becoming president, reports Judy Dempsey

NLIKE Poland, East Germany or Czechoslovakia, Hungary's communists will be the first ruling party in Eastern Europe to face the ballot box next year without being forced to do so by street demonstrations. But the country's carefully arranged transition to the multi-party system is being undermined by conflict between those very parties which will soon try to take over the reins of

The impact of the disputes beween two parties, the Association of Free Democrats, the intellectual-based Budapest party, and the Hungarian Democratic Forum, a petty-bourgeois party whose power base is in the provinces, will be revealed this Sun-day. For that is when the Hungarian electorate, already tired of politics electorate, already three of pointics and weary of trying to make ends meet, will take part in a referendum. On one level, tha referendum isstraightforward. The question for each citizen to answer is this: should the President of the newly-declared Hungarian Republic be elected by the people before the free parliamentary elections are held, or elected by the new Parliament?

But on another level, the referendum is about the betrayal of Mr Imre Pozsgay, the ardent communist party reformer who has stuck his neck out on behalf of some of the the opposi-tion and is now paying the price.

The down-payment began last Sep-tember during the closing seasions of the Opposition Round Table talks which involved several of the inde-

pendent political groups and the rul-ing Hungarian Socialist Workers'

(communist) Party (HSWP).

Everybody was becoming impatient. They wanted a conclusion to the talks, especially the HSWP which, without undue ideological qualms, transformed itself at its congress last

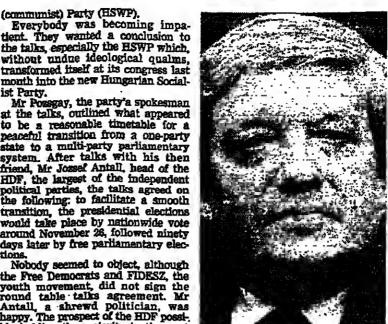
ist Party.

Mr Pozsgay, the party's spokesman at the talks, outlined what appeared to be a reasonable timetable for a peaceful transition from a one-party peaceful transition from a one-party state to a multi-party parliamentary system. After talks with his then friend, Mr Jozsef Antall, head of the HDF, the largest of the independent political parties, the talks agreed on the following: to facilitate a smooth transition, the presidential elections would take place by nationwide vote around November 26, followed ninety days later by free parliamentary elections.

Nobody seemed to object, although the Free Democrats and FIDESZ, the youth movement, did not sign the round table talks agreement. Mr Antall, a shrewd politician, was happy. The prospect of the HDF possibly holding the majority in the next Parliament and being able to work with a President such as Mr Pozsgay, was an attractive idea.

with a President such as Mr Pozsgay, was an attractive idea.

Mr Pozsgay was pleased too, since he was to be the party's presidential candidate and could boost his election chances by relying on additional support from the HDF. More importantly, the party itself seemed content. For it knew, judging from disastrous defeats in recent by elections, coupled with growing anti-communist sentiments. growing anti-communist sentiments throughout the country, that it was



Imre Possgay: betrayed

going to be wiped out at the parilamentary elections. At least, as in Poland, it could retain the presidency as part of the transition.

But the Free Democrats were going to have none of this. Both Mr Laszlo Rajk and Mr Miklos Haraszti, members of its executive, argued that if presidential elections were to take place before the parliamentary elec-

tions, then it would give an unfair advantage to the communists since they still control the media and could influence the next parliament. Furthermore they believe that a president elected and controlled by the new non-communist Parliament would be more democratic. In this case, the communists would be forced to lose

everything.
In addition, the Free Democrats wanted to break the cosy relationship which had been struck between Mr Pozsgay and the Democratic Forum. Tapping the public's rapidly dimin-ishing fear, the Free Democrats collected over 200,000 signatories calling for, among other things, a referendum on how the new president should be elected. The HDF promptly accused them of putting personal and political ambitions above the interests of the

But public support for the Free Democrats' initiative dented the HDF's normally sanguine tempera-ment. Sensing it would be accused of identifying too closely with Mr Pozsgay's timetable for the transi-tional period and in supporting a communist candidate, they nominated Mr Lajos Fuer, a lacklustre historian, to run for president. In their own pur-suit of power, their first ignominous act was the betrayal of Mr Pozsgay. Some Hungarian constitutional law-yers who closely followed the round table talks agree. They point out that it was the ambitious Mr Pozsgay who, at considerable personal risk, helped to legitimate the Democratic Forum. He has now been disowned by the HDF – despite the fact that many

Hungarians believe that Mr Pozsgay would make a good president.

The party was also affected by the upset to the timetable. Although the new HSP has formally endorsed Mr Pozsgay as president, the party-backed Patriotic People's Front, which Mr Pozsgay once led, has disowned him. Last month its membe nominated as their candidate, Mr Kalman Kulcar, the Minister for Justice. "So much for loyalty even among ideologically-close friends," com-

mented one lawyer.

But then, given the extraordinary changes which have taken place in Hungary, it is becoming increasingly clear that the political agenda is no longer dominated by the communists. Instead, it is being monopolised by the new emerging political parties in their pursuit of power whereby old loyalties fall quickly by the wayside. So whether or not the people turn out on Sunday - 50 per cent are required to validate the referendum - the whole timetable has been there off course the part for the whole timetable has been thrown off course. Over the past few days, the populist-inspired Democratic Forum, as part of their continuing fight against the Free Democrats, have called for a boycott which could invalidate the whole referendum. But even if enough people ignore these pleas and decide that a nation-wide vote for a president is more democratic than a parliamentary vote, then all is not quite lost for Mr Pozsgay. However, with several candidates competing for the presidency, only former supporters of Hungary's maverick communist can save him from erick communist can save him from total eclipse.

Czechoslovaks show off their true colours

No one is paying lip service to the system

THE DISMANTLING of the Communist Czechoslovak state by its citizens is proceeding as swiftly as its creation 41 years

It urged a dialogue with the striking students and called on the Central Committee which will meet today in emergency session to take "definitive action" to restore the confi-dence of the people "and of the members of the Communist

Party".

Most Czechoslovaks who have paid lip service to the "system" were now showing their true colones Ms Adriana Koriskova, a stu-

faculty yesterday called on the leadership to stop "manipulat-ing" the facts about last Fri-day's brutally-suppressed dem-

deat of history and "scientific Communism" said she hoped the former would become more objective and the latter would be rendered voluntary. Young people, like their parents, were burning to learn the

truth about Czechoslovakia since its independence in 1918. I asked what young Czecho-slovaks thought about Alexan-der Dubcek, the reformist "I was born in 1968," Ms Koriskeva said, "I know he was

a special kind of Communist who was able to co-operate with the people. This present leadership cannot do it." It was difficult to say whether Mr Dubcek could

make a political come back as he appeared to be attempting, she said.

"He is very popular but I don't think he would be the best for us," she said.
Similar scepticism was voiced by members of the student strike committee. One young man said: "We are against the monopoly of one party." Mr Dubcek, he noted, should try to win the support of the nation in free elections

The students indicated they would go ahead with the planned general strike next Monday even if their demand for the resignation of Mr Milos Jakes, the Communist leader, was fulfilled at today's central ommittee meeting. Inside the actors' school

strike-bound like virtually - strike-bound like virtually all schools of higher education

- a bevy of young women typed testimonies from young people who had been beaten up by the police on November 17.

A visitor was given a list of 171 state enterprises and institutions which had expressed support for the students strike. Among them were several factories belonging to the giant Skoda and CKD engineering companies.

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Council of Europe seat for **Soviet Union forecast**

By David Buchan in Brussels

THE SOVIET UNION would one day be able to join the 23 Western democracies in Council of Europe if it continued political reform, Mrs Catherine Lahumiere, secretary general of the Strasbourg-based organisation, has forecast.

Taking the now fashionable podium of the College of Europe at Bruges, Mrs Lahr-miere vaunted the role of her organisation as the one in Europe "in a position to bring all the European democracies

together".
In its new-found mission to bring East and West nearer,

mentary assembly had recently granted special guest status to delegations from Hungary, Poland, the Soviet Union and Yugoslavia, she said. Last week, Hungary applied for full membership of the Council.

Mrs Lalumiere said the Council was offering Hungary, Poland and the Soviet Union "our unquestioned experience in the field of democratic institutions", including human rights. It was ready to do the ne for other East European countries which had not yet bitten the bullet of political

The Commercial Property Consultants.

OVERSEAS NEWS

Israel reacts to news of Beirut death with raid

By Eric Silver in Jerusalem

IN THE wake of Wednesday's assassination of President Rene Moawad of Lehanon, Israel yesterday reasserted its determination to police Southern Lehanon and pre-empt guerrilla raids across the Galilee border.

Israeli aircraft bombed two bases of Ahmed Jibril's bard-line Popular Front for the Liberation of Palestine - General Command near the village of Suitan Yaqoub, four miles west of the Lebanese-Syrian border.

A military spokesman in Tel Aviv announced that the tar-

gets, in Syrian-controlled texti-tory 30 miles north of the Israeli border, served as "head-quarters and an organisation base for attacks against Israel by the terrorist organisation of Ahmed Jibril". All Israeli air-

craft were said to have returned safely.

According to reports from Beirut, Isrseli jets also flew over the Lehanese capital, drawing anti-aircraft fire. Yesterday's air strike was Israel's 14th into Lebanon this year. More than 30 people were killed and 120 wounded in the

The strike lent muscle to Wednesday night's statement by Lt-Gen Dan Shomron, the Chief of Staff, thet the Moawad assassination underlined Lebanon's inability to establish a

stable government capable of controlling the country.

"It emphasises the need," he told foreign correspondents, "to defend our northern border and to take necessary actions to prevent the development of could act against us from Leba-

At the same time, Jerusalem was at pains not to take sides in Lebanese internal struggles, or in the widely predicted confrontation between Syria and Gen Michel Aoun, the Chris-tian army commander, whom

Syria blamed for the assassination. Gen Aoun has been waging a "war of liberation" egainst Damascus since the spring and tried to block Presi-dent Moawad's election.

Dr Yosef Olmert, director of the Israel Government Press Office, said yesterday: "We office, said yesterday: "We bave no co-operation with Aoun and no interest in supporting his struggle. We do not want to give any Christian faction the idea that they can make their plans and count on the local for half. As far and count on the said of the s Israel for help. As far as we are coocerned. Aoun is just another Lebanese warlord."

His statement contrasted sharply with Israel's sponsor-ship of Maronite militias in the late 1970s and early 1980s, cul-minating in the ill-fated inva-sion of 1982. Dr Olmert, who is sion of 1982. Dr Climert, who is an academic expert on Leban-ese affairs, also signalled Presi-dent Hafez Assad that Israel was not looking for a quarrel with Damascus so long as he played by the rules that both

countries understand.
"We have no problem with the Syrians managing to stabi-lise Lebanon," he said, "if it is done on a legitimate basis acceptable to the Lebanese, and provided we are not required to pay the price. We care only about our security interests in sonthern Leba-

Dr Olmert argued that Mr Assad would have to ect quickly if Syria was to mainpower capable of restoring order to Lebenon. "Their problems in dealing with Gen Aoun require a military decision," he said. "What do you do against 50,000 Lebanese soldiers, well entrenched and well armed, backed by a civilian popula tion? How do you deal with it?
What is the price you are ready
to pay? And what will happen
the day after?"

Bavadra's widow agrees to lead Fiji opposition

FLJTS Adi Kuini Bavedra with the interim government confirmed yesterday she would follow the example of Philippine President Corazon Aquino and take over the leadership of her country's opposition from her dead hushand, Reuter

reports from Suva. earlier this month from cancer, was deposed as Prime Minister in a conp staged by army commander Major General Sitiveni Rabuka shortly after taking power at the head of an Indi-an-dominated coalition in 1987.

"The circumstances are basically the same," Adi Kuini said when asked if the comparisou with Mrs Aquino were valid. "I have come into prominence becanse of circumstances which made It inevitable that I be offered the leadership."

She added: "We want concili-

rather than just an opposition

Mrs Aquino succeeded deposed Philippine president Ferdinand Marcos in February 1986, 2½ years after her opposi-tion leader husband Benigno port on his return from exile in the United States.

Adi Kuini Bavadra had delayed announcing her deci-sion until she completed her term of mourning for her hus-hand, who was huried on November 8.

November 8.

Bavadra's 39-year-old widow, who married him in 1983, said she had accepted the leader-ship of the Fiji Labour Party's coalition with the National Federation Party as a tribute to her dead husband.

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1 Old Bond St., W1; 69 Brompton Rd., Knightsbridge, SW3; 22 Royal Euchange,
Threatheedle St., EG; 62-63 Fenchurch St., EG; **Brent Cross Shopping Centre, NW4.
127 Princes St., Eßinburgh, 54 Arcytil Arcade, Glasgow, 23 Cathedral Walk, St. David's
Centre, Cardiff, 125 New St., Birmingham. 15 Market Hill, Cambridge.
2 Commarket St., Oxford, 5-6 Westover Rd., Bournemouth. 17 King St., Manchester.
122 Grey St., Newcastle-upon-Tyne, 44 Commercial St., Leeds.

Adi Kuini is a Fijian chief and was her husband's third wife. ation. The coalition is here to help, to be seen as partners

Taiwan's landmark election under way

By John Elliott in Hong Kong

CAMPAIGNING has started in Taiwan for the first politically significant general election in the country's 40-year history. On December 2 a total of 724 candidates will compete for 293 seats as legislators, mayors, megistrates and other

local positions. The polls are the first since martial law was lifted two years ago. They are also the first since Taiwan-born President Lee Teng-hul succeeded the late Mr Chiang Ching-Kuo and accelerated a radical programme of political and economic reforms.

There is no chance of any change in the Government, because the ruling Knomintang (KMT) is bound to win.

But there is a significant political contest between the KMT and the main opposition

Democratic Progressive Party, which needs 30-35 per cent of the vote to maintain its own credibility. The main contests are between 304 candidates for 101 seats in the Legislative Yuen

(parliament), although it will still he dominated by about These men were elected in mainland China before Gener-alissimo Chiang Kal-shek fled with his followers from the mainland in 1949 and founded the modern Taiwan. The Gov-

retire. The way that these and other old mainlanders have clung in power is one of the election issues.

ernment wants the elders to

In order to defuse the situation, it was announced that General Han Pei-tsun (70) is to give up his post as the country's longest-serving armed forces chief of staff and

become Defence Minister. General Hau's term of office expires two days before the polls, and there have heen demands for him to retire.

President Lee did not want to extend his appointment and then have to face mounting criticism about the extensive

power the general is said to wield behind the scenes.

Making him Defence Minister means he will come under the Legislative Yuen.

Some candidates have tried

to use the campaigning to pro-mote the case for Talwan declaring itself independent. Mr Kuo Pel-Hung, a pro-inde-pendence activist who has lived in exile outside Taiwan appeared at a rally on Wednes-

day night where he provoked a cry from the crowd of Long live independence.

However, this has little real support in Taiwan's booming economy. The administration economy. The administration claims officially to be the rightful government of all China, while Peking regards it as a breakaway province.

Peking has warned it would invade the island if independence were declared.

Other election issues include the rising cost of living and the failure to clamp down on illegal investment houses.

China to take hard line on HK democracy timetable

John Elliott reports on a growing atmosphere of distrust in negotiations about the Basic Law

HINA IS expected dur-ing the next few weeks to reject demands from the UK and Hong Kong for publication of a firm timetable guaranteeing the introduction of full universal franchise in the British colony soon after Peking regains sovereignty in

Instead, Peking will probably insert a timetable in the final draft of the post-1997 Basic Law which will allow only a minority of the future legislature to be directly elected until well after the year 2000.

Any further democratic reforms would then probably depend on the views of the existing legislature and on some form of circumscribed referendum in 2007 or later.

This hard line has emerged during two days of consulta-tions between Peking law drafters and representatives of the colony's Chinese commuthe colony's Chinese community this week in the southern Chinese city of Guangzhou. Formal drafting sessions will take place in the middle of next month and in February, before the final version is approved by China's National People's Congress next spring. This week's talks were marked by an atmosphere of recrimination, and district

recrimination and distrust between Hong Kong lohbyists and the Chinese officials, who reflected the determination of Peking's hardline administra-tion to block any political free-doms that might enable the colony to mount opposition to China's Communist regime.

Talks on the law were pro-ceeding amicably earlier in the year before the June crackdown on dissidents in China, and there were even hopes of concessions on democratic developments, That crisis set the two sides on a collision course. In Hong Kong there has been a growing demand for faster democratic reform. But Peking has become much more opposed to political freedom, and it is also not prepared to agree to any demands that have arisen as a reaction to the

Chinese officials said this week that they intended to insert clauses in the Basic Law which would outlaw "subver-sion" aimed at undermining the regime. It is thought this clause would permit anti-Pe-

clause would permit anti-Pe-king demonstrations but would ban Hong Kong groups from helping dissidents in China with information or funds. They also said they might ban people who held foreign passports from sitting on the new legislature. Hong Kong and the UK have been accused of trying to "internationalise" of trying to "internationalise" the colony after 1997 with the campaign for Britain and other countries to provide local Chi-nesa with foreign passports. The UK has been accused this week by Peking's official People's Daily of trying to "pro-long its colonial domination" over the colony.

n addition, officials warned that China would cancel in 1997 any voting percent-ages introduced by the British Government for alections in 1991 and 1995 that exceeded those contained in the Basic

Law. This could pose a diplomatic problem for the UK.

The Hong Kong representatives have this week failed to persuade the Peking drafters to listen to calls for a faster pace of democratic reform. Two proposals put forward by Hong Kong's existing legislators and by a right-wing husinessman's Group of 89 have been turned down. They call for at least 60 per cent of the legislature to be

directly elected in 1999. A consensus proposal pro-duced by the legislators also wanted 100 per cent (full universal franchise) in 2003. This compares with proposals for 100 per cent in 1995, before the sovereignty handover, put for-ward in the summer by the British Parliament's Foreign Affairs Committee and by lib-eral lohbyists led by Mr Martin

The proposal which has been most favoured by Peking is a two-tier "bicameral" solution which would only allow 25 per cent direct popular vote by 1999 with no guarantees of later improvements. That has been proposed by a group headed by Mr T.S. Lo, a promi-nent lawyer who is believed to

be close to Peking's leaders.

The plan, however, has been strongly opposed by Hong

Kong representatives in Guangzhou this week.

Another idea, which might gain some support in Peking, came last week from a minority section of the group of 89. It proposes 38 per cent in 1995 with no increases before 2007. This might also be acceptable to the British Government for 1991 and 1995 when direct elections begin; but it would be strongly criticised by liberals in Hong Kong because it does not provide for later improve-

> Peking also seems determined to try to control who holds the post of Hong Kong's chief executive (in place of the present governor) and is not expected to permit a 100 per cent popular vote for perhaps

ten years or more. The significance of these minority percentage figures in the early years, and the control of the chief executive post, is of the chief executive post, is that any future developments would first have to he approved by reigning chief executive and legislature. Peking therefore wants to keep directly elected people in a minority so that it can influence the remainder to oppose radical reforms in the years. radical reforms in the years

around 2007 or later. The real battle is not over what happens during these early years. China's main tar-get is to control the decisions taken in these years about the introduction of democracy so that it can exercise maximum influence during the rest of the 50 years that it has promised Hong Kong a "high degree of

Australia reports A\$2.2bn deficit as policies begin to bite

AUSTRALIA reported its second worst monthly current account deficit in history during October, pushing the run-ning total for the first four months of the financial year 46 per cent ahead of last year's

Figures released vesterday showed a deficit of A\$2,24bn for October and a four-month total of A\$8.17bn. The worstever monthly figure, of A\$2.41hn, was recorded in August

August.
Analysts pointed out that seasonally adjusted figures, which the Bureau of Statistics began producing in June, showed a lower figure for October of A\$1.65bn. This indicated the trend might be bottoming out in response to the Govern-meut's tight mouetary and fis-cal policies, they suggested.

As the figures were broadly in line with expectations and

foreshadowed no easing of government policy, foreign exchange markets absorbed yesterday's news without major upset. The Australian dollar finished at 60.5 on the

trade weighted index, up from 60.2 on Wednesday. The Government is standing hy its prediction that the intensifying impact of its policies will yield lower monthly deficits in the second half of the financial year. In its August budget, it forecast a current account deficit of A\$18.50n for

1989-90, compared with an upwardly revised A\$18.2bn for Concern over the implications of Australia's chronic deficits continues to mount. Ear-tier this week, Macquarie Bank reported that, on its present course, the country's foreign debt would double to A\$200bn. or 44 per cent of gross domestic product, within five years.

Macquarie says the Govern-ment should pursue a better-balanced policy of tighter fiscal and easier monetary controls. The bank also called for faster market eud in industry and transport; greater investment in export and import-replacement industries; and higher domestic savings.

Court rules against pilots

By Chris Sherwell

THE Australian Federation of Airline Pilots faces a damages claim of up to A\$10m (\$7.8m) after the Victoria Supreme Court ruled against it in an action brought by the coun-

try's domestic airlines.
Mr Justice Brooking yesterday said that the federation deliberately caused the airlines financial loss during a week in August when, in support of its 29.5 per ceut pay claim, it ordered pilots to limit their fly-

ing from 9am to 5pm.

The actual amount of damages is still to be determined. But the result is a clear legal victory for the airlines - An-sett, its associate East-West Airlines, Australian Airlines and the freight group, Ipec.

As a successful common law damages action against a union, the case is regarded as something of a landmark in Australian industrial relations, and some trade union figures see it as a setback masmuch as it appears to curtail the right

to strike.

The pilots' federation said last night it was seeking legal advice on the ruling, which took the judge some six hours to deliver. But one senior offi-cial said the outcome would do nothing to resolve the ongoing dispute between the airlines

and the pilots.

Domestic flights in Australia have suffered disruption for some 14 weeks because of a pay dispute.

Chinese talks approve cuts in imports

By Our Foreign Staff

IMPORTS to China are to be reduced in an attempt to stave off an imminent foreign debt crisis, said Chinese sources. The decision, made at key economic policy talks this

The information came from a 39-point policy document adopted by the party's central committee on November 9 which sets out future austerity

"We must absolutely stop all imports of luxury goods and high quelity conanmer goods...and aggressively encourage import substitu-tion," the document said.

China would reduce imports of some unspecified raw materials and stop those of certain electrical products.

The party said, in another major policy move, that spending would be frozen over the next two years except in areas related to defence, price subsidies and priority construction

projects.

Next year will be a peak repayment period for China's debt, which has reached \$44bn. according to official figures published this month. "Our domestic deht has reached 80bn yuan (\$21.6bn),

our hard currency reserves are already very low, the money in circulation greatly exceeds the amount needed by the econ-omy. This state of things can-

only. This state of things cannot go on," the sources quoted the document as saying.

Foreign exchange reserves at the end of September stood at \$14.19hn down from \$18bu a year earlier. The trade dencities the first 10 months cented. in the first 10 months came to \$6.6bn nearly double that in the same period last year.

With exports already high and domestic demand for goods strong, the deht will mostly have to be repaid by cutting imports, including raw materials, which "will seriously affect domestic production and modernisation," the document said.

Official figures show that 80 per cent of China's imports are raw materials such as steel and tron ore and industrial machin-ery, leaving little fat to be cut. China's debt situation has deteriorated since June 4, when troops and tanks crushed student led protests in Tianan-

meu Square in Peking. In response, the World Bank and Western governments suspended new loans. Most commercial banks followed suit, with those that continued to lend charging higher inter-

The sources quoted the document as saying that China "must aggressively strive for long-term, low-interest loans from foreign governments and international organisations"—exactly the loans that have been suspended. Better management in bor-

rowing, using and repaying for-eign loans was called for. The West has said that if China improved its human rights record, lifted martial law in Peking and showed mercy to protestors, it would resume

But the party ruled out the smallest concession.

The document described the 1984-88 period as one of extravagance and over-spending. Three years of austerity were needed to correct these mis-

India sets up army, says Sri Lanka

SRI LANKA has publicly accused the Indian peace-keep-ing force of recruiting and training an illegal army in the uorth-east of the island. Mr Ranjan Wijeratne, the Sri Lankan Foreign Minister and dep-uty Defence Minister, released today two letters he has sent to Mr Vartharaje Perumal, the chief minister of the North-East Provincial Council. In these, the minister charges Mr Perumal with set-

ting up a Tamii National Army in the guise of a civilian volun-teer force. Such a civilian force was authorised by the central gov-ernment to perform police duties after the scheduled Indian troop withdrawal ou

Indian troop withdrawal ou December 31.

in view of the communal composition of the Eastern Province (Tamils, Moslems and Sinhalese) the civilian volunteer force was to reflect ethnic ratios. But Mr Perumal's TNA is nearly 100 per cent Tamil.

Brigadier S.D. Hapugalle claims the Tamil force has changed the military picture in changed the military picture in the Eastern Province. He says

the Eastern Province. He says the TNA is using mortars, rocket-propelled grenades and Soviet-made automatic weapons. In simultaneous attacks on police stations, and army camps, more than 80 people have died, mostly Moslem police reservists.

The Government has protested to Mr Rajiv Gandhi, the Indian Prime Minister, in the belief that this is a covert operation planned by India's exter-

ation planned by India's exter-nal intelligence agency along with the army, in order to proong the peacekeeping force's stay beyond December.

But opposition leaders feel it is unlikely thet Mr Gandhi would not know of this operation, however preoccupied he may be with the elections.

IMF accord for **Ivory Coast**

IVORY COAST has successfully negotiated a \$223m International Monetary Fund loan to support reforms designed to revive an economy hard hit by falls in cocoa and coffee prices, Mark Huband writes from Abidjan. The World Bank is already support ing a long-term structural adjustment programme which includes privatisation of stateowned corporations, diversifi-cation of agriculture, and financial sector reforms.

Mozambique hopes

President Joaquim Chissano of Mozambique has said he believes South Africa has significantly reduced support for anti-government rehels in recent months, Reuter reports

South African Police admit death squad link

THE SOUTH African Police (SAP) have admitted that policemen could have been members of hit squads, but said it was possible that the men were acting without the knowledge of their commanding officers.

The admission by Maj Gen
Herman Stadler, the force's

chief public relations officer was made on nationwide television and radio broadcasts yes terday as calls grew for inde-pendent jodicial inquiries into endent Jonical Inquiries into allegations by former policemen of death squad activities.

Maj Gen Stadler denied the SAP had any hit squads and added the police were not withholding information from the public. However, civil rights lawyers, who conducted an lawyers who conducted an independent investigation which corroborated allegations of death squad activities made by death row prisoner Butana Notomela, named one policeman, a Major de Kock; the lawheld in custody. The man is said to have been interrogated by Major De Kock in 1985 but had been unable to give details of his hrother, a suspected

ANC guerrilla.

The lawyers' report, pre-pared for the Independent Board of investigation into Informal Repression, was yes-terday handed to the McNally Commission, comprised of Orange Free Stata Attorney General Mr Tim McNally and CID chief, Lt Gen Alwyn Con-

Reuter reports from Johannesburg: Gen Stadler said yesterday such allegations were being investigated by an internal police inquiry.
Mr Nofomela's allegations, which triggered a major scandal, are supported by two other religious including Nofomero. policemen, including Nofom-ela'a former superior, Captain

Dirk Coetzee. Nofomela is currently on Pretoria's death row awaiting execution for an unrelated By Julian Ozanne in Nairobi

FOUR million people in northern Ethiopia, trapped behind the lines of raging civil wars, are facing the prospect of renewed starvation after a drought laid waste much of the region's and waste inten of the region's crops.

Relief officials in Addis Ababa, the Ethiopian capital, are calling for a massive aid operation and as much as 500,000 metric tonnes of food to

avert the kind of widespread famine which claimed up to a famine which claimed up to a million lives in 1984 and 1985. In October, United Nations' officials appealed for 140,000 tonnes of emergency food for up to 1.8m people in the northern provinces of Eritrea and Tigray, That figure has now been dramatically revised following estallite information. lowing satellite information which shows more devastating crop failure than originally

Aid officials are concerned that most of the people affected

will be inaccessible from the main distribution centres and trucking operations in Ethiopia-and will depend on air drops and cross-border operations from Sudan.

4m face prospect of starvation

as drought returns to Ethiopia

swiftly and effectively in their home villages, there could be a mass exodus of starving peasants in search of food and resultant crowded, poorly equipped and disease-ridden refugee camps. If this happens, the harrowing images of Ethiopia in 1984-85, where thousands of people died of starvation and disease in capture like Komm disease in camps like Korem, will become once again a real-

Of the 140,000 tonnes of food asked for by the UN in Octo-ber, 108,000 tonnes has already been pledged by the World Food Programme and western donors, including Britain. But this now only represents a fraction of the 500,000 tonnes

now required.

Meanwhile, the second round of peace talks between the Ethiopian government and the Eritrean People's Libera-tion Front, which are being chaired by former US president Jimmy Carter at a private resi-If people are not reached dence in Nairobi, are said to be

making progress.

The two sides agreed yesterday on two of the three procedural issues outstanding: the chairmanship and secretariat for future talks.

Once the finel procedural

Once the final procedural matter of observers is cleared up, both sides may start set-ting an agenda for substantive talks on ending the 28-year-old civil war. Ethiopia's Marxist government and separatist rebels from the northern province of Eritrea have chosen former

Tanzanian president Julius

'Rogernomics' Douglas to quit as MP

yers say he headed the death squads and shot one man being

Finance Minister credited with reform of New Zealand's economic policy between 1984 and 1988, said yesterday he would retire from parliament before next year's elections.

Mr Douglas gave his name to "Rogernomics", a regime that tore down protectionist import policies, deregulated the economy, floated the dollar, began a programme to sell state assets and tackled high levels of debt and a high budget defi-

His opponents say Mr Douglas's strict monetarist policies

disagreed with his plans to introduce e flat tax regime in a hid to gain economic growth early last year. This led to a protracted dispute between the two and provoked Mr Douglas' ministerial resignation last

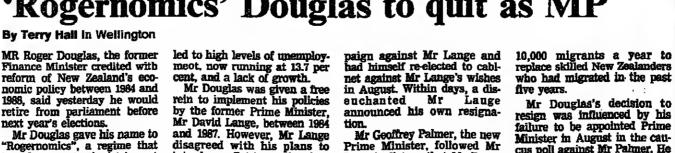
From the backbenches, Mr Douglas fought a bruising camLange's dictum that Mr Doug-las should not be given any role in economic policy, and appointed him minister of police. Mr Douglas was also appointed minister of immigration and earlier this month announced plans for a greatly relaxed policy to attract

replace skilled New Zealanders who had migrated in the pest five years.

Minister in August in the cau-cus poll against Mr Palmer. He is apparently unimpressed by what he regards as the present Government's lukewarm approach to further economic

Mr Douglas, who is in his early 50s, has been an MP for





By Robert Thomson in

JAPANESE construction companies had presumed that a US government report on the construction market in Japan would leave their building empire unshaken, but they fear that sanctions could be imposed after a review early next year of the opportunities

The Japan Federation of The Japan Federation of Construction Contractors characterises US suspicions about a construction closed shop as a "misunderstanding," and delivered a paper in Washington this week emphasising that the market was open to all comers. US suspicions have been heightened by an untimely heightened hy an untimely argument over bid-rigging for argument over out-rigging for construction projects at a US military base near Tokyo. The US Government has reportedly just reached agreement for compensation of about Y4.7bn (£21m) from 99 of 145 companies alleged to have rigged bids for 278 military orders valued. for 278 military orders valued

at Y19.3bn.
In December last year, the Fair Trade Commission,

Fair Trade Commission, Japan's anti-monopoly body, found that the companies negotiated among themselves prior to bidding at the base and fined 70 of them Y289m.

Officials and construction companies now say that bidrigging is a thing of the past, and the government has agreed to a US demand that hidders for contracts make clear that they understand regulations against "dango"—collnsion among companies collnsion among companies over contract hids.

The US has a two-year construction market-opening agreement that ends next May, and Japanese companies expect that the US will be less sympathetic then over progress. Mrs Carla Hills, the US Trade Representative, said this week that there had been enough progress to delay progress. enough progress to delay pro-posals for retaliation until the agreement expires.

But US companies are likely to find opportunities remain limited, particularly in private construction. The government has guaranteed open bidding on major public works projects, though a spokesman for the Japan Federation of Construction Contractors said that smaller companies needed to take a collective approach to contracts if they were to sur-vive: "They have to agree so that each can get a job."

Japanese printer makers cleared

The last two European subsidiarles ont of 11 Japanese manufacturers of dot matrix charged by the European Com-mission with circumventing its anti-dumping duties, have now been cleared by the EC Council of Ministers, David Buchan

reports from Brussels.

NEC Technology and Star Micronics, both based in the UK, have undertaken to abide by the provisions of the EC's so-called "screwdriver law."

Cairns Group issues call on EC farm plan

By Peter Ungphakorn in Chiang Mai, Thailand

THE Cairns Group of 14 agricultural exporting nations yesterday urged the European Community to submit its pro-posal on agricultural trade reform before the end of the

The call was issued on the final day of the group's meet-ing in Chiang Mai and follows on the completion of the Group's own detailed 24-page

proposal on Wednesday.

Mr Michael Duffy, Australia's trada negotations minister and chairman of the Group.

warned that if the EC and Japan failed to submit their proposals this year tha 97 members of the General Agree-ment on Tariffs and Trade (Gatt) would have too little time next year to negotiate the details of reform.

The end of the Uruguay round of multilateral trade talks is scheduled for December 1990.

In s press conference at the close of the Chiang Mai meeting, differences emerged hetweeo Canada and other Cairus Gronp members on whether the Group's proposal would allow Canada to continue to support its dairy industry with import restric-tions and production limita-

Mr Jnhn Crosbie, Canadian Minister of International Trade, who is said to have thought hard whether to

attend the meeting at all, said the proposal did allow supply management policy under article 11 of the Gatt.

Mr Duffy countered that as far as he was concerned the group's proposal implied the eventual scrapping of the pro-vision of the Gatt that allowed special import restraints, i.e. Article 11. Brazil and Thailand intend to submit clarification notes in Geneva next week

Thailand will argue that special protection would be per-mitted under the proposal for crops planted as replacement for opium and other narcotics, an idea the developed country members of the Cairns Group endorsed.

Brazil's note will be s clarifi-Brazil's note will be a ciarin-cation on the special and differ-actial treatment the Cairns Group is seeking for develop-ing countries, provided these countries are committed to reforming their agriculture. Officals would not divulge

the details of the Brazilian note, but Brazil is one of the more aggressive advocates of special rights for developing countries, although it remains committed to agricultural free

The Cairns Group proposal calls for a freeze and gradual phasing out of supports over a period of 10 years or less, con-version of quotas to tariffs and other means of liberalising farm regimes gradually.

'Low success rate' for Soviet joint ventures

By Karen Fossil in Osin

CHANGES in the Soviet Union CHANGES in the Soviet Union since perestroika was introduced in 1985 have forced open the floodgates to allow an increasing number of Western-Soviet joint ventures to be registered with snthorlties, though few of them have succeeded, according to Mr Dmitri K. Protsenka, a former Soviet K. Protsenko, a former Soviet Finance Ministry official, Mr Protsenko is now

vice-president, financial director, of Sona Ventures, a Soviet-Canadian bybrid which advises foreigners on establishing joint ventures in the Soviet Union. More than 1,000 joint ven-tures had been registered with the ministry, with many more pending, since a decree on the reform of foreign economic relations was adopted three

years ago.

Though this may seem impressive, he said, by mid-1989 only 40 joint ventures remained fully operational and only three of them among the first 250 registered involved Western investment in excess of \$20m.

The level of investment for joint ventures was comparatively small and tended to be restricted to service sectors because of Western investor cantion and the problems of repatriation of profits, guaran-tees and non-convertibility of

(S) AT SHERATON LITTLE THINGS MEAN A LOT . AT SHERATON LITTLE THINGS MEAN A LOT (S)

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the commercial rouble.

the commercial rouble.

Mr Protsenko spoke yesterday in Oslo to Norwegian Committee delegates of the International Chamber of Commerce
At end-June there were 646 registered joint ventures. The leading countries included West Germany with 108, Finland 77, US 65, Britain 48, Austria 47, Italy and Switzerland 30, France and Sweden 26, Japan had only formed 18.

More recently, a rash of announcements on Norwegian-Soviet joint ventures from minerals exploitation to petroleum exploitation has broken out. Norsk Hydro, Norway's

leum exploitation has broken out. Norsk Hydro, Norway's largest publicly, quoted company, seems to be involved in most of them.

According to Mr Protsenko, in the first 200 joint ventures registered, the average size of foreign investment was Rhs163m (263m). "Initial capitalisation of some joint ventures is low by design, for most of the capital will be raised through borrowing," he said. through borrowing," he said.

He warned, however, there was a growing need to assess commercial risks, gauge the legal and financial standing of contractual partners and clearly to define the conditions for taking guarantees. It is in these areas most Western-So-viet joint ventures fail.

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that constantly monitors the quality nf guest service. For each individusl mem-

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E Europe in need of export lifeline

William Dullforce on a plea for investment in Hungary and Poland

*TRADE BY DIRECTION (\$bn)

REATER direct investment by western companies is needed in Hungary and Poland if they are to develop effective export capacities and achieve real economic growth, according to the United Nations Economic Com-

United Nations Economic Commission for Europe.

An analysis of the official assistance for Hungary and Poland being marshalled by the European Community, the US and other western nations leads the ECE to this conclusion in its latest bulletin.

The proposed aid certainly addressed critical needs, but the bulk was debt-creating, the ECE said. Poland's debt was already excessive and the rescheduling of its repayments and interest obligations would increase deht without creating any new export capacity.

Hungary's deht burden was high, the share of interest payments in its exports of goods.

ments in its exports of goods and services was rising and it faced a heavy repayment schedule in the first half of the

Given that both countries will continue to experience internal resource and balance of payments constraints, more non-debt-creating direct invest-ment was called for. Both countries are actively

promoting joint ventures. By mid-Octoher the ECE had recorded about 600 joint ventures in Hungary and 400 in Poland, with a combined capitalisation of over \$10n.

To accelerate the process, publicate of surround connects. problems of currency convertibility, supply linkages, lack of supporting services — especially in telecommunications

and commercial information all needed to be addressed.
The ECE's ples comes against the background of the weakening in the economic performance of the Soviet Union and eastern Europe in the first half of 1989, recorded in the bulletin in the hulletin. in the first three quarters of

Output growth fell and trade virtually stagnated. A reversal of the slowdown in the second half is unlikely and the outlook for 1990 remains uncertain, not least because of the fast pace of political change in the region, the ECE said.

Attempts in the Soviet Union, Hungary and, espe-cially, Poland to fight inflation with an array of austerity mea-sures were likely to result in a further slowdown in output growth in the near future. In the six east European countries gross industrial output increased by just over 2 per cent in the first nine months compared with 4 per cent in 1988. Plans had called for some improvement on 1988 performance.

Eastern Europe

Developing countries

Eastern Europe Developed market econmies

Socialist countries

Soviet Union

Easiern Europe Developed market e

Developing countries

In the Soviet Union, the growth in the net msterial product (aggregate net value sdded in the material sphere, the standard measure of output) slowed from 4.5 per cent in 1988 to less than 2.5 per cent

Value growth Value growth 1988 1988 1989 1988 1988 1989

110.5 2.7 -3.7 107.1 11.6 2.3 70.8 -3.0 -3.1 71.4 3.0 2.5 54.0 -4.6 -4.2 58.0 2.6 3.2 24.1 7.8 9.4 26.9 22.6 10.9 15.7 2.2 -5.2 8.6 17.4 15.5

-0.5 102.9 2.5 -2.3 3.4 68.0 -1.8 -1.8 -1.5 24.9 5.2 -1.2 3.4 27.7 8.3 6.1 -14.0 7.2 4.6 2.1

this year.
Supply coostraints and transport hottlenecks, which are expected to worsen with the approach of winter, have been partially responsible for the decline in the verion's perthe decline in the region's per-

formance. Strikes in the Soviet Union have led to raw material and energy shortages, which have been exacerbated by the deficiencies of the Soviet transport system. These shortages have spilled over into the East Euro-

spilled over into the East Euro-pean ecocomies in the form of reduced export deliveries.

Despite data problems aris-ing from disparities between western and eastern statistics, the ECE charts an overall fall in the volume of East bloc exports in the first half. This was due mainly to s decline in intra-bloc trade and lower exports to developing coun-

According to eastern statistics, exports to the western countries also declined in vol-ume in the first half. Western data point to a slowing in the growth rate from 6 per cent in 1988 to 4 per cent in east Europeao exports, with Soviet exports to the West maintain

ing a 9 per cent pace.
The ECE believes that the Soviet Unioo is heading this year for its first overall trade deficit since the mid-1970s - in spite of an improvement in its terms of trade for the first time in six years. Higher prices for cereal imports have been more than offset by the strengthen-ing in oil prices and the US dollar.

Soviet data for the third quarter indicate a further deterioration in its trade balance with the West, chiefly because of the slowdown in its exports. The deficit with the West could amount to \$4hn for the year as a whole, as against \$2.7bn in 1888, the hulletin estimates.

The ECE detects a signifi-cant change in Soviet policy in the past, Moscow has kept a the past, Moscow has kept a tight rein on external dcht, reducing imports whenever the trade balance has come under pressure. It sold gold for around \$8hn and cut western imports hy some 29 per cent in the two years following the collapse of oil prices in early 1986. Moscow's respoose was different last year, when another sharp terms-of-trade shock occurred. It sold gold worth \$3.7bn but also borrowed more widely, raising its foreign debt

widely, raising its foreign debt by nearly \$3bn. Moreover, imports have been allowed to advance rapidly. They were running shove planned levels in the third quarter of this

Move to set up venture capital growth fund

By Peter Mantagnon, Wnrld Trade Editnr

OPIC, the US government agency guaraotecing private-sector investment in developing countries, plans to set op an East Enropean growth fund of up to \$100m to belp promote venture cspltal inflows to

Poland and Hungary.
Mr Fred Zeder, president, said in Lordon that the fund, to be managed by an independent banking organisation, would be ruo on the lines of OPIC's existing \$30m Africa fund. It will provide some \$50m in guarantees, and aims to obtain a matching amount from private-sector US compa-nies with East Europeao trad-

ing interests.
Poland and Hungary are the Poland and Hungary are the only two Comecon countries where OPIC is currectly allowed to operate. By statute it must obtain Congressional authorisation to do husiness in Communist countries, and this was only received for Poland and Hungary in April.

Mr Zeder said OPIC's budget for the current fiscal year

for the current fiscal year allowed it to issue some \$240m allowed it to issue some \$240m lo investment goarsntees around the world, of which \$40m would go to Poland and Hungary. A priority for Poland was a better financial and accounting infrastructure, hadiy needed to attract husiness there. OPIC wanted to help Poland set up free trade zones, though these would have to operate on a hard curhave to operate on a hard cur-

reocy basis.
OPIC was looking to collaborate with other Western government agencies to seek investment opportunities.

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THE VOICE OF SOUTH AFRICAN BUSINESS

The banking sector flourishing in a financially constrained South Africa

Professor Owen Horwood DMS, chairman of Nedcor Limited, talks to John Spira, Fignancial Editor of the Johannesburg Sunday Star.

Spirat: Professor Horwood, your association with Nedour Limited spans some '16 or 17 years, In 1962, while head of the Department of Economics at the University of Natal, you chaired Nedhank's newly established Natal Advisory Board, and became a member of the Bank's main board. Following calculated in a nearly 10-year term as Minister of Finance, you left the cabinet in mid-1984 and, in October of that year, assumed the Chairmanship of the Nedbank Group. (Now

age, you will relimpoish the top post in the Nector group. What, ementially, is Nector?

Newword: NEDCOR LIMITED is a bank holding company. The Nedcor group is a combination of sharply market-focused operating companies officing specialised services across the spectrum of the banking, building society, trust, and related financial services industries. Each constituent cutify has an autonomous board and has the benefit of a competent and experienced management team. But these teams recognise their mutual interdependence and the benefits flowing from overall planning, guidance, sharing of scarce resources, and coordination

or enorg.

NEDRANK LIMITED, the mainly urban, business and corporate commercial banking arm of the group, celebrated its centenary last year. The Bank has an upmarket image and holds its place as a leader to the South African commercial banking field. It so holds a firm tiche in international payments.
The SOUTH AFRICAN PERMANENT BUILDING SOCIETY

THE PERM — the second higgest building society in the country, was energed with Nedbank last year to form NEDPERM BANK LIMITED. The demand for housing, particularly low cost housing remains strong, and the Perm, which has taken the lead in granting loans to the full spectrum of South African homeowners, is particularly well-positioned to take advantage of the creatist in this section of the market. owners, is particularly well-positioned to take advantage of the growth in this sector of the market. SYFRETS embraces the oldest and the leading trust company

in South Africa and the group provides quality wealth-building and capital-preservation services to institutional, corporate and ladividual clients.

individual clients.

NEDFIN BANK is a specialist in hire purchase and leasing finance and is a leader in these fields.

There are two merchant banks with different client bases and origins: UAL, the brainchild of Sir Ernest Oppenheimer, is the first merchant bank established in South Africa and equipmes ting merchant name established in South Atrica and communes to hold its own. Its several unit trust are performing particularly well. FINANSBANK, a good deal younger in years, joined the Nedcor group three years ago. Finansbank is heavily involved in government's current privatisation programme, and in project

Then there is the CAPE OF GOOD HOPE BANK, the oldest ak in the country, which recently became a fully owned building of Financhank.

Spirac in the past two years, Nedcor has enjoyed unmanally rapid growth mainly because of its acquisition of the SA Permanent Building Society but also as a result of strong internal expansion. In fact, Nedcor has now reached a size such that it is one of South Africa's jurgest financial services groups. Just how is Nedcor faring today?

nod: Nedcor is faring extremely well. Instrument: Nettor is faring extremely well.

It is most gratifying for me as I sep down from the Chair in December to be able to report a record year to shareholders. There has been a remarkable increase in the income of the group to what is now a fiercely competitive and aggressive financial services industry. After fully adequate provisions for bad and doubtful debts, the bottom-time return on shareholders' funds has increased in real trees.

ncreased in real terms. stand at some 16 800. An increasing proportion of the staff consists of blacks, coloureds and indigns, it being the official policy of all the subsidiary companies to bring the staff complement into closer accord with the racial composition of the population as

Spira: Rollowing the Perm acquisition, is Nedcor still actively steking take-over propositions?

Horwood: With the fluid state of the financial services industry and the restructuring that has been taking place consequent upon changed official thinking — as, for instance, exemplified in the secont amendments to the Banks Act — we obviously keep a close watch on developments. But we have no designs on further mergers

ge. The successful absorption into Nedcor of Finansbank as ago and of the Perm last year are keeping us fully

Spice: Worldwide, financial services industries are bracing themselves against fresh winds of change. Is this so also in South Africa?

Horwood: Yes, in South Africa, as elsewhere, conventional thinking has been challenged by long periods of inflation, by advances in the competitive market place, by changes in the payments mechanism, and by the increasing sophistication of financial decision-making which is made possible by the new

financial decision-making which is made possible by the new information technology.

The very structure of banking and financial services is currently under review in South Africa. The broad aim is to bring all financial institutions operating in the same sort of market under the same rules. The rationalisation involved has already seen the analogameter of a number of building societies with banks. A good example of this is the merger of Nedbank and the Perm.

The Technical Committee on Banking Legislation is also reviewing a very important issue: that of who may own or control a banking institution and to what extent they may do so. The "playing field", as someone put it, "is being levelled". As the topography of the financial services industry changes, so too do notions about the nature of its leading players.

I am pleased to say that Nedcor is unusually well positioned and prepared to ride the turbulence of this fast-changing environment.

Spiru: From your virtually unique vantage point how do you see the South African economy at this time?

Horwood: In answering that question one must of course bear in mind that the country is at the receiving end of a sustained political and economic onalaught from abroad, with the enforcement against us of such punitive measures as trade and investment sanctions, disinvestment of capital, and cultural and sports isolation. Financial sanctions, in the form of an enforced countiment to redeem our foreign debt, is of overarching But we must also have due regard for the political developments

But we must also have due regard for the political developments that have occurred in recent months in the shape of a general election, the stepping down from office by State President PW Boths, and his succession by Mr FW de Klerk. The latter's assumption of the Presidency bids fair to usher in a whole new political dispensation. Certainly a more relaxed style of government is already discernible. The outcome of the election is seen by government as a mandate for further constitutional reform and the new President has made it clear that major steps will be taken over the next five years to include all the country's population groups in the electional process.

However, we must be resistic and accept that the restructuring emoses will take amne considerable time and is sublikely to occur

However, we must be realistic and accept that the restructuring process will take some considerable time and is sulfisely to occur with sufficient rapidity to eliminate the sanctions campaign, particularly in the United States, to the short-term. This is something we shall simply have to live with. Nevertheless, the situation is cause for sober optimism, especially in the light of the steady improvement in regional political developments flowing from the cessation of the Angolan civil war and Namibia's advance towards independence.

Returning to the immediate present, the growth rate last year was a little over 3 per cent and this year will be somewhat lower at between 2 and 2,5 per cent. This year has been a particularly good one for surjections and we have also seen a remarkable,

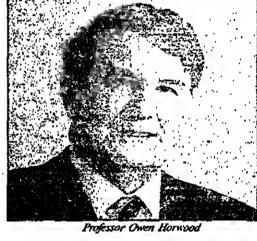
good one for agriculture and we have also seen a remarkable, steady expansion of non-gold exports and the communition of an upowing in fixed capital formation that angurs well for the future. The country is actually entering a lengthy period of substantial

The country is actually entering a lengthy period of substantial capital development embracing, among others, the Mossel Bay genfield and other symbol developments, and the Lesotho Highlands water and power development (in association with the World Bank), all of which are very large projects.

But, of course, the challenges are there. The increase of new job opportunities is trailing the population growth, for which those imposing sanctious against South Africa should certainly accept a part of the responsibility. Government expenditure levels are too high and need to be curbed in order to reduce the taxation burden on the country and assist in alleviating inflation pressures. burden on the country and assist in alleviating inflation press.

The inflation rate is unecompably high, although there was distinct improvement during the course of 1988. It will average about 15 per cent this year but should begin to level off and decline during the course of 1990 because of the stringent monetary

es that have been taken. There has been a decline to foreign exchange reserves of late, notwithstanding most satisfactory levels of balance of payments surptimes on current account. Deflationary fiscal and monetary measures and uncomfortably large increases in import surcharges have all been imposed in order to dampen import demand and



as attained the loss of foreign reserves.

No assessment of the South African economy can be complete without a reference to gold. It is a competting thought that a no more than ID per cent average rise in the gold price, which I foresce as a possibility to the year ahead, would not only strengthen the foreign exchange reserves and boost economic growth; it would also transform the balance of payments in the

course of a single year. After all, South Africa is still by far the world's biggest gold producer.

All in all, given the private sector's willingness and ability to seize its exciting opportunities, I do not doubt that the prospects for South Africa are reasonable in the worst circumstances and anding to the best.

Spira: Considerable publicity has been given of late to South Africa's foreign debt. What is the size of it and what are the implications of its redemption for the country?

Impactations of its redemption for the country?

Horwood: You know, it is an appalling aromely that South Africa, gnossly under-horrowed as it is, and with an impaccable record of meeting its debt servicing and repayment obligations, and recognised by bankers abroad as very likely the only sound investment to the Third World, finds itself in a position of the position for redeem its foreign debt. South Africa is a developing country with enormous potential and, I might say, the vital force for the development of the entire Southern African region, and should not be obliged to be a capital exporting country.

development of the entire Southern African region, and should not be obliged to be a capital exporting country.

Specifically, South Africa's debt outstanding at the end of 1988 was some USS21 billion, which by comparison with the massive amounts owing by many less developed countries is nothing if not modest. Indeed, the ratio of our external debt to gross domestic product is one of the lowest among developing countries. Part of the debt — so-called 'inside the net' — has been the subject of repayment schedules agreed with creditor banks. The third agreement, which will run from mid-1990 to the end of 1993, has just been satisfactority concluded. The amount in be repaid in that period with be of the order of USSL5 billion, similar to that involved in the second agreement which ran from mid-1987 that involved in the second agreement which ran from mid-1987 to mid-1990, and is not too onerous.

The immediate problem, however, arises from debt "outside the net" — that is, debt which has nothing to do with the "standstill" declared at the end of August, 1985 — which is largely parastatal and government debt, in that it is heavily benched in the three years 1989 to 1991, with a peak in 1990. It would be quite impractical for South Africa to meet all of this debt and it is essential that there be appropriate roll-over and refinancing of much of it. Nevertheless, a poses a problem for South Africa and,

unfortunately, all monetary and fiscal policy has to be subordinated to steering South Africa through this difficult period. It means the retention of stringent policy measures, all with one aim in mind and that, simply, is the generation of large balance of payments surpluses through supressed imports and stimulated

The rise in the Bank rate and the prime rate of the banks to the very high levels of 18 per cent and 21 per cent respectively — the fourth rise in a little more than a year — is indicative of the restrictive policy being adopted.

Given the terms of the third rescheduling agreement with

creditor banks and the willingness of a number of foreign creditors to convert debt inside the net to longer term loans ourside the net, I estimate that the aggregate amount of foreign debt to be redeemed over the next four years will be of the order of \$6-\$7

I have no doubt that South Africa will meet its obligations, as t always has done, and, moreover, will still achieve a positive real growth performance and successfully pursue its development programmes. This, if nothing else, is testimony to the country's tremendous basic strength.



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AMERICAN NEWS

4% growth rate in Mexican economy

By Richard Johns in Mexico City

MEXICO's economy grew at a rate of 4 per cent in the third quarter of this year compared with the same period of last year and increased by 2.9 per cent cover the first cent over the first nine months, according to figures released by the Ministry of Planning and Budget. It said that the growth was

consistent with "the consolida-tion of the programme of price stability'

stability".

Nevertheless concern is growing about the huild np of inflationary pressures as the end of the year approaches and economic expansion which looks as though it will be twice the 1.5 per cent target in the Government's 1989 hudget macroeconomic projections.

macroeconomic projections.

Worry ahont inflation has been reflected by the rise in rates for 28-day CETES, or Treasury hills. At this week's nearly one percentage point to 39.45 per cent despite the fact that the Bank of Mexico took up 5,3000n pesos worth of the

7,100bn offer. This compared with the average of 35.7 per cent in September and 39.2 per cent in October. One of the prondest hoasts of the administration and President Carlos Salinas de Gortari in particular has been that the accord in July on been that the accord in July on reduction and rescheduling of Mexico's commercial bank debt (now calculated at about \$48 bn) led to 20 per cent fall in interest rates. At the end of June 28 day CETES had peaked at 57.47 per cent, The margin is now clearly being groded.

at 3.47 per cent. The margin is now clearly being eroded.

An annual rate of inflation in excess of the 18 per cent limit to which the government planned to contain it now looks certain with an increase of over 20 per cent in present. of over 20 per cent in prospect.
At the same time recently

At the same line recently issued preliminary figures have indicated e trade deficit of \$107m for August giving accumulative one of \$274m for the first eight months of 1989 compared with last year's surplus in merchandised transac-tions of \$1.75m. A total deficit of around \$800m is anticipated

now for the year as a whole.

As for sectoral growth electricity, gas and water were up
10 per cent indicating the vigour of the informal economy while transportation, storage and communications grew by 8.5 per cent.

Mannfacturing industry showed a 7.3 per cent increase with food, beverages and tabacco significantly above the average at 9.6 per cent.

Accord with EC for joint ventures

An agreement signed by Mexico and the European Community Commission makes financing and technical assistance available for joint ventures undertaken by Mexi-can and European husinessmen, Renter reports from Mexico City.

The agreement was signed hy Abel Matutes, EC Commis-sioner for Latin America, and officials from Nacional Financiera and Banco Nacional de Mexico under the EC Interna-tional Investment Partners program. The program, which aims to promote joint invest-ment and information exchange, represents a "more appropriate" way of channal-ing resources to countries that can benefit from them, an EC

Ceasefire offer

El Salvador's right-wing gov-ernment yesterday condemned a guerrilla cease-fire offer as propagandistic manipulation 12 days after the rehels launched their largest offen-sive of the 10-year civil war, AP reports from San Salvador The government can't take it seriously," said Mauricio Sandoval, the government's

secretary of information.

He noted that the rebel communique was not addressed to the government but rather to the people of El Salvador and the international community. He said the government would give no formal reply.

Haiti opposition calls general strike

A strike called hy opposition groups in Haiti, the second in three weeks, has brought commercial life to a halt in Port-au-Prince, the capital, Canute James reports from Kingston.

Canadian retail sales, seasonally adjusted, rose 1.7 per cent to C\$14.7bn in September after rising 0.2 pct in August, Statistics Canada said yesterday. It was tha largest monthly increase since the 1.9 pct rise in April 1989.

Excluding new and used motor vehicle dealers, retail trade rose 0.4 pct in September following a 0.2 per cent August

Banks snub plan to repurchase Chilean debt

By Barbara Durr in Santiago and Stephen Fidler

CHILE has met a poor response from banks to a pro-posed buy-back of about \$500m of its bank debt.

The Government managed to repurchase in anction \$139.8m worth of loans, paying \$81.4m or an average weighted price of 58.25 cents for every dollar. The cut-off price for the auction was 59 cents. Banks tendering at a higher price are being reinvited to tender at the 59 cent level, but bankers say they expect the response to be

The buy-back is taking place under the the deht reduction plan launched in March hy of US Treasury Secretary Mr Nicholas Brady, according to Chilean authorities. The funds used for the purchasa will come out of the Chilean Cen-tral Bank's copper stabilisation fund, hut be replaced by others from the International Monetary Fund and the World Bank.

The size of the operation was considerably smaller than originally contemplated. Ironically, the poor response partly reflects the banks' view that Chile's economy is on the right track and that the loans will continue to ba serviced, particularly given the large amount

already taken place. The development shows up a potential anomaly in the Brady initiative: a successful deht reduction programme, such as Chile's, results in hanks not wishing to sell their debt. By contrast, in more complicated debt reduction deals for Mexico and the Philippines – both of which require some banks to make new loans - the indica-tions are that banks have been keener to participate in debt reduction and are not inclined to make new loans.

of deht reduction that has

Chile's remaining bank debt is now thought to be concen-trated in the hands of relatrated in the hands of relatively few hanks, most of which preferred not to tender. Japanese banks, eager participants in an earlier auction, were not important players in the latest. Chile's total bank deht has fallen to \$9.9bn at mid-year from \$14bn at the end of 1986, according to figures.

mid-year from \$14bn at the end of 1986, according to figures from the Bank for International Settlements.

Chilean debt had been trading on the secondary market recently for as much as 62-63 cents to the dollar, although it was quoted this week at 60 cents.

President reaffirms pledges to W Europe

By Peter Riddell

PRESIDENT George Bush has reaffirmed the US commitment to Western Europe and Nato on the sve of his talks today

with Mrs Margaret Thatcher, Britain's Prime Minister.

In a TV address, Mr Bush sought to deal with European worries about future US intentions. Looking ahead to his meeting in just over a week with President Mikhail Gorbachev, Mr Bush said: "There will be no surprises sprung on our allies". The two were not meeting "to determine the future of Europe". He stressed that while there

might be cuts in US troops in Europe, "the US will continue to stand with our allies and our friends. In a new Europe, the American role may change in form, but not in fundamen-tals. Even if forces are significantly reduced on both sides

a noble goal indeed — we
will remain in Europe as long
as our friends want and need

This message was aimed in part at European leaders wor-ried by talk of substantial cuts in numbers in Europe. Mr Bush said he would seek Presi-dent Gorbachev's pledge that reform in Eastern Europe would continue.

Congress adjourns with little to show

By Our US Editor

THE CONGRESSIONAL session which has adjourned until mid-January amid much mntnal congratulation has been marked by considerable partisan bitterness and limited

achievements.
The inherent conflicts of a
Republican presidency and a Democrat-controlled Congress have heen exacerhated hy

arguments about personal ethics and policy priorities.

President George Bush has generally lacked the authority his predecessor enjoyed in his first year in office to win the first year in office to win the support of conservative Democrats and push through his agenda. Mr Bush has inspired little awe among legislators. The one legislative exception – the spproval by the House of a capital gains tax cut – backfired in the Senate.

Otherwise, it has been a matter of compromise and stalemate. With Mr Bush generally conciliatory by temperament – a manager rather than

- a manager rather than leader - the result has been a

leader — the result has been a sharing of power and of the policy agenda.

Little was achieved in the first half of the year as Senator George Mitchell, the new Majority leader, took time to assert himself; in the House, the Democrats suffered hruising battles leading to the resignation in June of Speaker Jim Wright and Majority Whip Tony Coelho because of their business links.

business links.
But gradually during the

LEGISLATION PASSED IN THE FIRST SESSION three years in aid for Poland Bndget deficit cut by

Bndget deficit cut by \$14.7bn as a result of higher revenue, across-the-board spending cuts and accounting gimmicks.
Minimum wage increased after long battle, with new sub-minimum training wage.
Major rescue and overheul of savings and loan industry approved, at initial cost of \$50bm.
Repeal of catastrophic health insurance for the elderly because of protests over paying a surtax. and Hungary.

Voting \$50m in non-military aid for Contras following deal with White House. • Banned smoking on nearly all domestic US • Passed a law banning burning and desecration of the US flag, though blocked President Bush's call for e

constitutional amendment. Congressional pay raised:
 per cent for the House by 1991 and 9.7 per cent next year for Senate, coupled with over paying a surtax.

• Backing \$8.8bn for intensified war on drugs.

• Agreeing \$938m over ethics package limiting out-side earnings.

summer, and particularly in the past few weeks, Senator Mitchell has emerged as an increasingly effective legisla-tive and party leader. Together with Senator Lloyd Bentsen, chairman of the Finance Comminor revenue adjustments. members of Congress are still reluctant to consider higher taxes. This was underlined chairman of the Finance Committee, he helped block the cut in capital gains tax in a long battle with the White House which delayed the deficit reduction hill. In the House, new Speaker Tom Foley has helped lower tensions.

The overall result has been patchy. This week's deficit reduction hill contains soma genuine cuts, but still defers tough choices on tax increases. Neither President nor Con-

Neither President nor Congress has been prepared to offer leadership. Apart from

when they voted to repeal a long-debated plan to help old people finance the costs of treatment for serious illness after a minority of the well-off elderly protested at having to pay a surtax or premium to finance the programme. In the halance sheet, Mr

Bush's main victory was pushing through the rescue of the savings and loans industry. A Pyrrhic victory (at least electorally) was the successful vetoing of several bills liberalising state funding of ahortions. His losses were over the capital gains tax fize burning capital gains tax, flag burning,

a cut in spending for Star Wars (the Strategic Defence Initiative), and over several nomina-

tions, notably that of Mr John Tower as Defence Secretary. The deficit reduction bill, the limited increase in the minimum wage and restrictions on aid for the Nicaraguan Contras, can be regarded as com-

When Congress reconvenes When Congress reconvenes in January, it will face renewed battles over the budget and capital gains — and some reduction in the latter will probably pass. Immediate priorities, according to Senator Mitchell, will be legislation on clean air, tightening controls on car and power plant emissions, and helping parents pay for child care, which has been held up so far by a dispute over financing.

heid up so far by a dispute over financing. Congress will also consider moves to reform election cam-paign finance laws to limit costs and special interest con-tributions. Both Houses have passed bills on oil spills, but differences remain on an industry-paid fund for clean-ups.

Neither the President nor the Democratic leadership are controlling the agenda. In some cases, such as savings and loans, Mr Bush can get what he wants; in others, such as clean air and aid to Eastern Europe, Congress goes further. These are likely to be years of modest legislative changes.

goes to polls

URUGUAYAN voters go to the

polls on Sunday to choose a new president and government in the first general election since November 1984. Mr Julio Maria Sanguinetti, who five

years ago won the presidency for the centre-right Colorado Party, is due to hand over office on March 1 next year. Wedged between its domin-nting neighbours of Brazil and

Argentina, Uruguay's 3m inhabitants have e long history of democratic elections,

interrupted for 11 years between 1973-84 by a military dictatorship. That dictatorship set itself the task of eradicat-

ing the Tupamaros, armed left-wing guerrillas who simed

at installing an orthodox

Marxist government. But on Sunday voters will

once more have the chance to

vote for the political rump of

the Tupamaros, aligned with several other left-wing groups

in the Frente Amplio (Broad

Front) alliance.

on Sunday

Uruguay

By Gary Mead in

Buenos Aires

Peace retreats over Central American horizon

Tim Coone points to prospective military and diplomatic moves on the troubled isthmus

NCE again, Central America is coiling itself into a familiar spiral of uncontrollable violence. Peace has become a shimmering

in the space of two weeks, a nationwide guerrilla offensive in El Salvador has shaken the right-wing government of Pres-ident Alfredo Cristiani to its foundations. In Nicaragua, the hreakdown of talks with the

hreakdown of talks with the US-backed contra rehels this week beralds an all-out army offensive to deal them a crippling blow before the general election in February.

A neighbour to both countries, bost to US military bases and facing growing social discontent at home, Honduras will go to the polls this weekend to elect a president for the next four years. Guatemala next four years. Guatemala and Costa Rica watch anx-iously from the sidelines. The prospects for tranquility are further removed by the pres-ence of General Manuel Noriega in Panama, irritating

the US Administration. Whether there will be war or peace in the region, much will hinge on what the left-wing FMLN guerrillas in El Salvador plan to do next. After more than a week of heavy fighting, having seized control of a third of the capital and almost overrunning several smaller cities, they have carried out a tactical withdrawal in tha face of

heavy aerial bombardments.

But where have they gone?
The daring seizure of the Sheraton Hotel in the wealthy suburb of Escalon in the capital, San Salvador, on Tuesday, demonstrates that they continue to keep the army on the defensive. The heaviest hlow may be yet to fall. If it does, it will most likely fall on the eastern city of San Miguel – the key to the control of the eastern third of El Salvador.

country, including the port of the first such blow in 10 years La Unión, has always heen of war, points to a concentra-



Antagonists in an American backyard: George Bush (left) waves an open hand but Manuel Norlega flourishes a cienched fist

part of a strategic plan of the FMLN. This would be territory in which to declare a provi-sional government. For the FMLN, it would break the FMLN, it would break the straitjacket of the Central American peace accords, which call on them to recognise the existing government and to lay down their arms in return for reforma. Holding tha east af the country, they could request recognition from other governments - Nicaragua, for exam-pla, which is widely believed to have provided the munitions for last week's offensive hy the FMLN. La Union is only 50 kil-According to left-wing politicians in El Salvador, seizure of San Miguel and the east of the in San Miguel last Saturday.

tion of the FMLN's best antiaircraft gunners and equip-ment there. During the past week, more than 1,000 refugees have been repatriated from camps in Honduras to the guerrilla-controlled province of Morazán, north of San Miguel. for Refugees has dissociated itself from the repatriation.

Being refugees as a result of their support for tha FMLN in the countryside, they may well be the vanguard of fresh guer-rilla fighters. Seven thousand more are to be repatriated this week and, although mainly women and children, they can provide important rearguard support for a renewed offensive. The battle for the capi-tal's suhurbs has also probably

won the FMLN as many new recruits as it has lost in the recent fighting.

Colonel Msuricio Vargas is the commander of the Third Infantry Brigade, based in San

Miguel, and a key person for both sides. He is widely considered the most professional soldier in the army and is one of the most pragmatic officers in the armed forces. Were he to be defeated at San Miguel, the armed forces would suffer a demoralising and possibly crip-

demoralising and possibly crip-pling blow.

"There can be communist parties and Marxist parties in the democratic system we are trying to create in El Salva-dor," he said last weekend, sting in his hammock. Two Boxer dogs - bearing a

remarkable resemblance to his own tough, belligerent Napo-leon-like features — snuffled at his feet. He admitted that his views are not shared by the far right in the ruling Arena party and the armed forces.
"Both extremes have to mod-

erate. Look what is happening in Europe," he said. One can almost see a Salvadorean de Gaulle. A philosophy book on the principles of democracy lay on his secretary's desk. The colonel expressed dis-gust at the actions of right-

wing and military death squads, such as the killing of six Jesuit priests in San Salvador last week. As a key figure in the institution that is keeping the Cristiani governme in power, Col Vargas may find

himself increasingly embroiled in a conflict within the government as the right wing tries to assert itself in the wake of the guerrilla offensive.

Two further factors compli-cate the Central American pan-orama and impinge on the present fighting in El Salvador. The breakdown of talks over demobilisation plans for the contras in Nicaragua puts Hon-duras in an awkward position. At the Tela summit in August, Honduras signed a separate agreement with Nicaragua, in which the former agreed to the removal of the 12,000 strong contra army from its territory. In return, Nicargua agreed to suspend bitigation, et the International Court of Justice in The Hague, for damages suffered to its economy as a result of the contra war. A favourable ruling for Nicaragua could run

into billions of dollars. Honduras would have to recognise any ruling of the ICJ if it wants to retain hopes of resolving a century-old border dispute with El Salvador, which is now being considered by the court. That dispute erupted into a war with El Sal-vador in 1969. Six pockets of disputed frontier territory have since become mountain sanctu-aries and supply routes for the FMLN. Resolution of the dis-puta would deny the FMLN these routes and force them into a new territorial strategy.

The arrival of the war in the capital is an indication that an

capital is an indication that an FMLN strategy review is taking place — seizure of San Miguel would confirm it. All sides to the Central American conflict are now being called on to return to the negotiating table so as to break the spiral of the contract the spiral of the spiral o violence. However, those most willing to do so – and offering the firmest negotiating propos-als – are the Nicaraguan gov-arnment and the FMLN. Events of recent weeks have shown that they also hold the military initiative in their

not the long-term solution, but

rather that medical malprac-tice must be taken out of the

Victoria Rostow, project direc-tor of the institute's obstetric

study, is encouraging states to adopt a "no-fault compensa-tion" system similar to that in

place in Virginia. This limits liability for hrain-damaged bables to those which can be

proved to have suffered neurological injury in labour, during delivery and immediately post-

She advocates for the long

term a new system of strength-ened state medical boards or

new state agenclea with

enthority to screen claims,

examine medical evidence and

interview the parties. Any claim not settled would be

awards would be resolved

much more quickly and more

cheaply than in the courts.

Under the current system, a family may be ewarded \$3m

but have to wait five years for

the money.

Beyond this inefficiency and

heartbreak, there is believed to

be something deeper - a mis-

trust between doctor end patient which is destroying the heart and soul of the therapeu-

passed to an examiner The hope is that such an examiner would be better able to evaluate claims and that

An immediate focus for Ms

Front) alliance.

According to a Gallup optnion poil conducted during the first week of November, the Frente could expect to capture 30 per cent of the vote in the capital Montevideo (bome of more than half of the country's population), giving it a strong chance of capturing the capital's mayorship. This capital's mayorship. This would give it a strong leverage over government, even if the presidency goes to another Of the four major parties with a genuine hope of victory, the current opposition, the cantre-left Partido Nacional (Blancos), is tipped hy the same poll to take 34 per cent of the vote in the interior of the country, giving it a lead of 12-13 per cent over its near-

est rivals, the Colorado and Frente Amplio parties.

A newly-formed party, Nuevo Espacio, is trailing in fourth position with 10 per cent, while as many as 14 per cent. cent, while as many as 14 per cent of voters are as yet unde-

If, as expected, the Blancos emerge early on Monday morning as the most successful party, the man most likely to win an internal party battle to be internal party battle to be Uruguay's next president is Mr Luis Alberto Lacalle, a 47-year-old lawyer who has spent most of his life in active politics.

Argentina's economy suffers double blow By Gary Mead

HOPES that Argentina's stricken economy might be stabilising have been dented by a major depreciation of its currency and a substantial pay award to the country's most powerful trade union, the metalworkers (HOM) metalworkers (UOM).

Hack market currency rates hit 1,050 anstrals to the dollar on Tuesday. Although the rate has since partially recovered to 920 australs, it still leaves a gap of 40 per cent against the official exchange rate of 650 australs to the dollar.

australs to the dollar.

The government is also bound to be worried by the inflationary effect of e 71 percent pay award to the UOM, backdated to September and running until March 1990. The UOM, which although not the largest union, certainly has the greatest industrial muscle, and is usually taken as setting the pace for other awards. the pace for other awards.

Seeking ways to steady American medicine's shaking hands Janet Bush examines efforts to reduce a threat of huge awards in malpractice lawsuits

HE US medical profession has been held hostsge for more than a decade by the threat of being can be brought) system. Most common have been reforms limiting fees which plaintiffs' lawyers can charge and caps on the proportion of a damages award a lawyer can keep. surging insurance premiums heve not only scared many doctors out of their vocation but have also changed the way

sued for medical malpractice. Despite numerous measures In obstetrics, for example,

र मेर स्ट्राइन	PERDICT AVER	AGES AND RA	NGES
YEAR	VERDICT AVERAGE	CHANGE (%)	YERDICT RANGE (\$)
1980	404,725	-	1.708 - 6.8m
1981	850,396	110.1%	3,500 10m
1982	962,253	13.2%	531 29m
1983	887,938	- 7.7%	1,500 25m
1984	640,619	-27.9%	1,000 - 27.6m
1985	1,179,095	84.1%	5.000 - 12.7m
1986	1,478,028	25.4%	2,500 - 15.8n
1987	924,415	-37.5%	340 - 13m
1988	732,445	-20.8%	300 - 8.1m
80-87°	,	12.5%	•
D - Brotimies	C		

which bave belped doctors defend their practices against costly litigation, the crisis con-

tinues. The Institute of Medicine recently published a report which bighlighted some chronic trends in obstetrics and concluded that a continuing increase in the frequency and severity of claims against obstetricians was reducing access to such services for msny women, particularly poor ones in rural areas.

The problems touch every area of medical practice. The threat of litigation, numerous hitter court battles, many of which ended in hreathtaking compensation awards, and

rest Jury Yardict Rese the rate of Caesarean sections has risen from about 5 per cent of all births 20 years ago to about 25 per cent — a rise attri-buted largely to the threat of lawsuits. Unnecessary and costly medical techniques are now routinely used for the

medicine is practised.

sama reason. A measure of the crisis is that 70 per cent of obstetricians now practising have been

Doctors, nurses and mid-wives have left the profession in droves because they could not find adequate insurance, could not afford what was available or because they could no longer take the pressure of being sued.

The American Medical Asso-clatton estimates that, from 1982 through 1985, insurance premiums for all physicians jumped by 81 per cent, and by 113 per cent for obstetricians and gynaecologists
Not all the news is negative.

signs recently that spiralling insurance premiums paid by hospitals and doctors have begun to moderate. Conning and Co, an insur-

ance analyst based at Hartford. Connecticut, shows that losses incurred by medical malprac-tice insurers fell 7.7 per cent last year compared with 1987. This is a dramatic improvement from 1985 when losses exploded by 48.7 per cent from

the previous year. St Paul Companies, e leading underwriter, saw the frequency of claims against physicians and surgeons drop to 13 out of 100, from more than 17 out of 100 in 1985.

These encouraging figures can be traced to a number of factors. One important change has been e backlasb against disproportionate jury ewards. A public survey by the AMA in 1986 found that 50 per cent believed plaintiffs in malpractice snits were "looking for an easy way to maka money". Juries have letely become more circumspect and less gen-erous in malpractice suits. Since the mid-1970s, the medical profession has moved to limit potential claims. Many hospitals and doctors formed their own insuranca compa-nies, and, in some states, liability insurance carriers were obliged to participate in joint underwriting associations. Risk management systems have been adopted by many hospital systems and doctors, which have contributed to safer medical practice and

Despite this, much more needs to be done. Conning and Co believes that losses and premiums in medical malpractics insurance hit a cyclical low last year, and projects pre-mium increases and rising loss costs over the next three years. much more canny recording and monitoring in case of suit. Over the past decade, 49 of the 50 states have enacted Some believe insurance costs are only a minor component of a wide issue which is far from some kind of reform to the tort (injury for which a civil action resolution, and that adjust-ments to the tort system are

States enacting Tort Reform





By Michael Cassell, Political Correspondent SENIOR ministers and Conservative Party figures yesterday stepped up efforts to prevent a damaging challenge to Mrs Margaret Thatcher's supremacy as Tory MPs pre-pared the way for their first leadership ballot in 15 years. Sir Geoffrey Howe, the Dep-

nty Prime Minister, yesterday appeared to rule himself out of any challenge to the Prime Minister before the next general election and issued a statement urging any possible contenders not to trigger a divisive contest.

divisive contest.

Last night, with Mrs
Thatcher in Washington and
preparing to meet President
Bush today, the executive of
the 1922 Committee of backbench Tory MPs opened nominations for leadership candi-

Sir Anthony Meyer, the 69-year-old MP for North West Clwyd last night remained the only identified, possible con-tender, and he was under intense pressure not to stand. Sir Anthony yesterday acknowledged that a contest would harm the party in the short-term but claimed that

Mrs Thatcher's stance on Europe would prove "very damaging indeed Nominations will close next Thursday and voting will take place on December 5. If a second-round ballot is required-which only seems likely in the event of other, more senior challengers emerging - it will take place on December 12.

Loyalist MPs at a crowded 1922 committee meeting at the House of Commons took part in a ritual round of desk bang-ing when Mr Cranley Onslow, the chairman, said the executive was unanimous in its opposition to a contest which

could only harm the interests of the party. Although Mrs Thatcher's supporters remain confident of an easy victory over any contenders, Conservatives at Westminster now face an uncertain and anxious two weeks which

their party's standing.
In his statement, Sir Geoff-rey claimed that a contest could only damage the party at a time when it was crucial to maintain "continuity of policy and authority, as well as unity of purpose". He denied any leadership crisis and said the

PROFILE

SIR Anthony MEYER - aiready duhbed "Sir Nobody" hy Britsin's popular daily news-papers - looks set for a brief spell of fame in an otherwise low-profile, diplomatic and political career, writes Mike

Although he is coming under increasingly intense pressure not to upset the applecart, he was still suggesting yesterday that he would put forward his name, if no one else came forward, to stand against Mrs Thatcher for the party leadership.
A one-nation Tory "wet"

who worked at the Foreign Office under Edward Heath in the 1960s, he has always been harsh and nnapologetic critic of Mrs Thatcher, attacking her within months of her first election victory for her "silly" attitude towards a Enropean Community in which he passionately

Now 69, the self-confessed "extreme moderate" with an aristocratic lineage and intellectual demeanour appears to have few political ambitions, other than to see Mrs Thatcher out. Sir Authony's intention to challenge might well attract a number of malcontents or, as he really hopes, flush out other, more substantial candi-dates. But he has provoked a fierce backlash from some of his party colleagues. He has aiready been described as a "donkey" in an outhreak of the type of internal dissent which will appal the Tory rank-and-file. Yesterday, he was labelled by one MP as "a

nan of minute stature None of this is likely to phase a man who simply Prime Minister commanded the overwhelming support of the party at Westminster and in the country.

Speaking later on BBC radio, Sir Geoffrey said he could not see any circumstances in which he would be likely to challenge Mrs Thatcher, who he believed would lead the party up to and through the next election.

He said it was essential to sustain the "resolution and backbone" which had characterised the government under Mrs Thatcher and that it was



believes that Mrs Thatcher has and that the party faces a choice - to lose its leader or lose the next general election. The son of Sir Frank Meyer,

the 2nd baronet and chairman of De Beers, he was educated at Eton and Oxford and was first elected to parliament with a majority of 11 to repre-sent Eton and Slough in 1964. A Lloyds underwiter, he has been MP for North West Clwyd

The height of his political career came with a period as parliamentary private secre-tary to Mr Maurice Macmillan, who was Chief Secretary to the Treesury and later Secretary of State for Employment in the government of Edward Heath. One Tory MP quipped last night that, in his search for two sponsors, Sir Anthony might well find a willing sup-porter in the shape of the last Tory Prime Minister himself.

essential to build upon it under

her continuing leadership. her continuing leadership.
In a statement issued at
Westminster, Mr Michael
Heseltine, the former Defence
Secretary and a leading aspirant to the Tory party leadership, restated his commitment
not to challenge Mrs Thetcher not to challenge Mrs Thatcher. Mr Heseltine said his position remained unchanged and he added: "If Sir Anthony Meyer, or anyone else, decides to use the existing rules, that is for them and not for me. I shall take no part in the pro-

Both sides claim victory in Sunday shopping verdict

By Maggle Urry in London and Tim Dickson in Brussels

THE European Court in Luxembourg ruled yesterday on Sunday shop opening in the UK, with both advocates of and opponents to Sonday shop opening claiming the verdict as a victory for their side.

The Court's seven-page ver-dict concluded that the treaty (of Rome) "does not apply to national rules prohibiting retailers from opening their premises on Sunday where the restrictive effects on Commonity trade which may result therefrom do not exceed the effects intrinsic to rules of that kind."

In the judgment the Court said that the regulations which governed the opening of shop hours "reflected certain political and economic choices in so far as their purpose was to ensure that working and nonworking hours are so arranged as to accord with national or regional socio-cultural characteristics." It was up to national courts to decide whether "the restrictive effect of such mea sures on the free movement of goods exceeds the effects intrinsic to trade rules."

This is the Court's familiar

doctrine of "proportionality."

The verdict, which will have profound implications for the UK retail trade, is widely regarded as ambiguous. The Keep Sunday Special campaign, which opposes extensive Sunday shop opening, said this meant a ban on Sunday trading did not break the treaty and said it was

grateful to the Court for upholding this vital part of our heritage." However, the Shopping Hours Reform Council, which is in favour of shops opening on Sunday, said it was "very pleased with the judgment" because "it resolved an important point of law ... in favour of

the proceedings."

Both sides agreed, though, that the effect of the ruling is to put the whole problem of the UK's widely disregarded Sunday trading laws back into the hands of the British courts and eventually the UK govern-

The government said yesterday it was "considering the

judgment."
Although shop opening on
Sunday is allowed in Scotland,
it is restricted in England and Wales but with a number of anomalies. Many shops do open on Sundays, risking a £1,000 fine. Some councils enforce the

some councils emorts the law rigorously while others turn a blind eye.
However, Hamleys, the famous toy shop in London's Regent Street, has been threatened with an injunction to stop the trading on Sunday after the

the companies who brought recently opened on two Sun-

The store said it was now applying to be a tourist attraction which under the Shops Act would allow it to open on 18 Sundays a year. The Conservative Party man-

ifesto for the last election promised the last election promised the government "would look for an acceptable way forward to bring sense and consistency to the law on Sunday trading." A Shops bill in 1986 was narrowly defeated. The European Court ruled on the question of whether the Shops Act 1950, the law which controls shop opening, consti-tuted a breach of the Treaty of Rome on the grounds of restraining trade within the EC hy preventing imported goods being sold.

The case was referred to the Court by Cwinbran magistrates court in South Wales. Toriaen Borough Council alleged that B it trading on Sunday after it

& Q, the do-it yourself retail chain, had broken the Shops Act 1950 by opening on a Sunday. B & Q's defence was that the Shops Act contravened the Treaty of Rome.

B & Q said the case would

now have to be heard by the Cwmhran conrt, which will have to decide whether the restriction on trade caused by hanning Sunday opening exceeds the effect intended by the Shops Act. The case could go to appeal whichever side loses, and could work its way

up the hierarchy of courts. B & Q said it had done surveys on 17 of its shops which veys on 17 of its shops which had been opening on Sunday and but then stopped doing so. These shops' weekly turnover fell by 22 per cent when they closed on Sunday. B & Q said this suggested that there is a "Sunday pound" which if not spent in shops on Sunday will be lost to the retailer.

EC role 'enhanced by E Europe events'

By Raiph Atkins

SIR GEOFFREY HOWE, the Deputy Prime Minister and for-mer Foreign Secretary, sought to boost the Government's pro-European Community creden-tials last night, arguing that the Community's role was likely to increase as develop-ments in East Europe

In a speech to the Institute of Directors centring on European developments, he argued for a strong manufacturing sec-tor to compete in a single market from 1992 and stressed the benefits of the Exchange Rate

Directors were urged to intensify their resistance to excessive pay awards.
Together we must hold the
line against excessive settlements, in public and private sectors alike. . . Directors and Cabinet ministers must hold the line in respect of their own salaries." Sir Geoffrey said. He added: "The really strong economies – like West Ger-many and Japan – are success-

His speech will add spin to the rumhling dispute within the Conservative party on Britain's role in an evolving

ful both in services and manu-

Europe. He attacked head-on scepticism about a more intagrated Europe, particularly remarks earlier this year by Sir John Hoskyns, former director general of the IoD.

"By claiming that 1992 looked like being a fiasco, his comments set back the argument at precisely the moment when what was needed from business leaders was not pub-lic prejudice but clear think-ing." Sir Geoffrey said.

ing," Sir Geoffrey said.

The challenge now being faced was to open "our Europe" towards the East without weakening its collective strength, to ensure that the West retained its own military and political force as it rose to meet the hopes of the East.

"Like a magnet so strong that it has forced npart the component parts of another, weaker block, and attracted them powerfully towards it, the EC has emerged as a key factor in prompting the tide of reform that is now sweeping Eastern Europe."

He said great care must be taken not to change "a win-ning formula" but said role of the EC is more likely to be strengthened by the events that are now unfolding.

Trade improvement begins to impress the City's sceptics

THE STEADY month-by-month fall in Britain's current-account balance-of-payments deficit since July is beginning to impress the City of London's

sceptical economists.
Yesterday's news that the deficit in October fell to a sea-sonally adjusted £1.5400 from £1.62bn in September, and was therefore around £150m lower than the consensus of analysts' forecasts, was welcomed by some commentators as a sign

that the current account may at last be on the mend.

"We seem to have seen the end of the terrible twos," said Mr Peter Spencer, UK economist of Shearson Lehman Hutton, in a reference to the monthly deficits of £2bn or more which at times over the more which at times over the past year have pushed down sterling and contributed to upwards pressure on interest

"I think we have turned the corner," commented Mr Ian Harwood, an economist at Warhurg Securities, although he noted that the improvement in

the monthly figures would be "painfully slow."

The Treasury, a victim of many a false dawn on trade figures in the past, was unwill-

eyer, commenting on the fig-ures for the three months to October compared with the May-to-July period, it noted that the 3 per cent growth of volume exports, excluding oil. and erratic items such as ships, North Sea installations, precious stones, aircraft and silver, was twice the 1.5 per cent growth of volume imports

in the same period.
Volume exports, excluding erratics, were up 10 per cent in the latest three months compared with the same 1988 period while imports were only 8 per cent higher. The figures mark a potentially significant crossover. Until September, three months' volume imports had been growing at a faster rate than exports on a year-onyear basis.

The volume import and export figures for August to October suggest some UK industries may be successfully switching production to export markets from the domestic market, now that high interest rates are beginning to restrict

For example, volume exports of consumer goods and passen-ger cars were up by 20 per cent

ing to discuss the future. However, commenting on the figures for the three months to October compared with the growth of car and consumer goods imports slowed to 16 per cent and 13 per cent in the

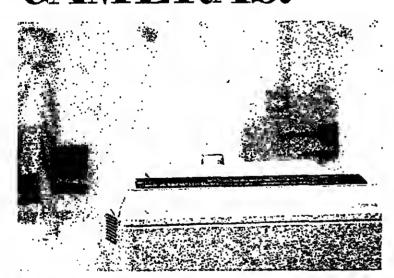
same period. . According to Mr Spencer, figures showing a drop of nearly ? per cent in the unit value of cars imported between the fourth quarter of 1988 and October suggest that the still strong import growth is being sustained by significant price discounting, reflecting increasingly competitive conditions at the UV market.

on the UK market.

Analysis expect that British exports will be sustained by continued strong growth abroad, especially in other European Community countries. Labour troubles at Boeing in Seattle should also give a short-term boost to the trafigures because they will delay delivery of new 747 airliners ordered by British Airways.

When those aircraft are delivered next year, the British economy should have slowed sufficiently under the impact of 15 per cent base rates to prevent a large upstrige in the monthly deficit figures, analysts argue.

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PERESTROJKA AND THE SOVIET ECONOMY: IMPLICATIONS FOR DOING BUSINESS WITH THE SOVIET COMPANIES

Leningrad, 4-5-6 January 1990

Four years ago, the Soviet leadership has initiated a series of reforms directed to increase the role of the market in the Soviet economy and to gradually open that economy to foreign participation and competition.

LIMI (Leningrad International Management Institute), the joint venture between Bocconi University of Milan and Leningrad State University, is organizing a series of seminars aimed at a better understanding of the rapidly changing Soviet economy and of the "new" business possibilities for Western corporations arising from this process.

in January 1990, LIMI will organize a conference whose purpose is that of gathering together top businesspersons, bankers, academicians and political experts to discuss the effects of the "Perestrojka" and of the changing global strategies on:

- the perspectives of the Soviet economy -- "new" business opportunities and how to deal with them.

individuals who will be participating include, among others, O. Bogomolov, Director of the Economic Institute for the World Socialist Systems; Q. Cagliari, Chairman of ENi; I. D. Ivanov, Vice-President of the State Commission for Economic Affairs and Foreign Trade of the Soviet Ministry; W. Leontieff, Nobel Laureate and Professor of Economics New York University; E. Luttwak, Center for International Strategic Studies; S. Pisar, international specialist on East-West issues; J. Mrcz. President of the institute for East-West Securities Studies.

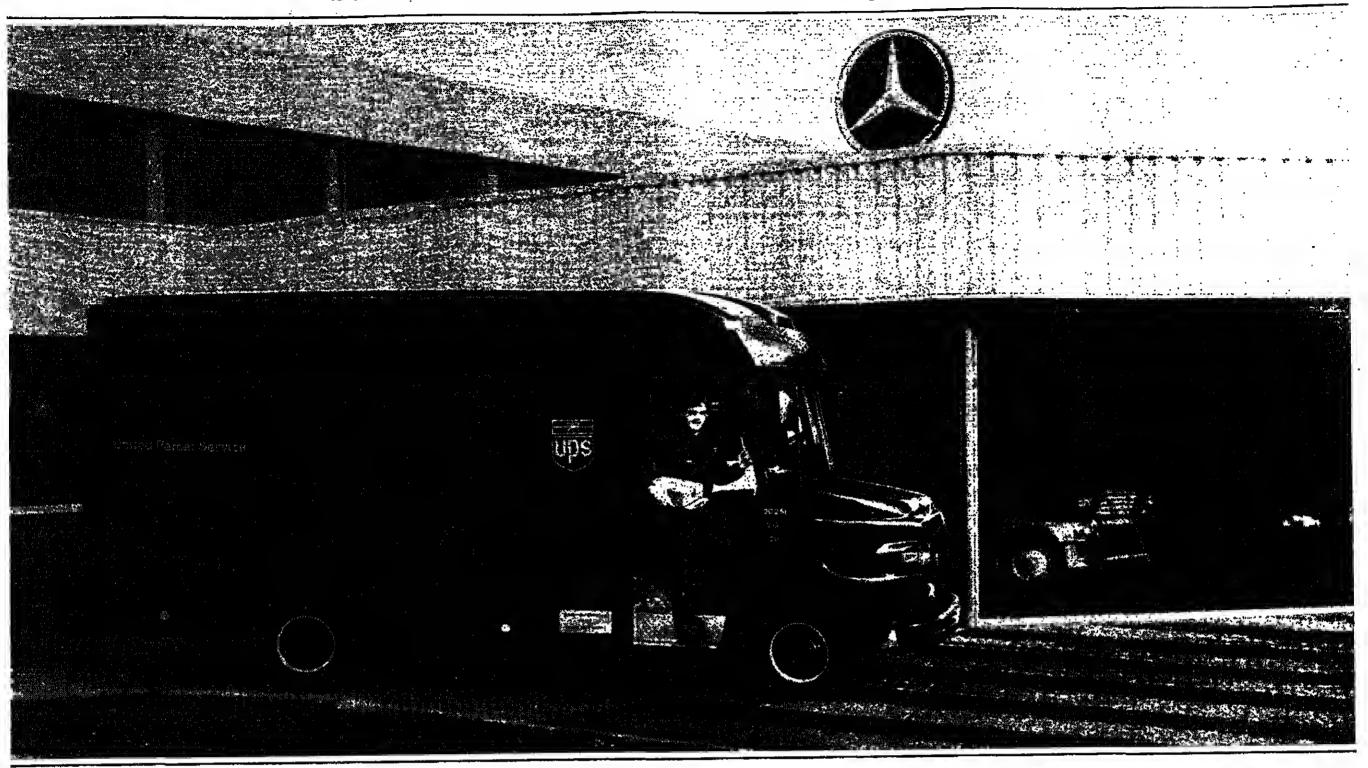


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UK NEWS

Rover Group to invest £130m in Cowley plant

By Kevin Done, Motor Industry Correspondent

ROVER GROUP is to invest 41-acre site of the Cowley more than £130m in tooling and assembly facilities for its next generation of executive cars at its plant in Cowley,

Rover, the automotive sub-sidiary of British Aerospace, said it planned to concentrate executive car production on the 90-acre site of its Cowley body plant, which is likely to mean the closure of its Cowley

Rover has already announced that its 48-acre Cowley South Works, which assembles its Maestro and Montego car ranges for the early 1990s, is likely to close to 1992.

Rover said the future of the

North Works, which assembl the Rover 800 executive car range, was still uncertain.

range, was still uncertain.
However, it was unlikely to be used for vehicle production.
Rover said that the move to consolidate its Cowley operations on the its body plant site would have no effect on employment at the plant.
Rover employs 8,100 at Cowley.
Rover said last wear that the Rover said last year that the decision to close the Cowley South Works could lead to the loss of as many as 2,400 jobs, but it believes that employ-ment cut can be achieved by

natural wastage.
Rover employs 4,050 in the Cowley body plant, 2,600 at Cowley South and 1,450 at

Cowley North.
The £130m investment plans for Cowley should remove earlier union fears about Rover's commitment to car production

in Cowley. Rover has told the workers it plans to produce a new genera-tion of executive cars at Cowley in the early 1990s, coden-amed R17/18, to replace its present Rover 800 series, which was launched in 1986. It is producing 43,000 models in the

It has also announced plans to produce a range of high per-formance coupes at Cowley for introduction in the US in 1992. Rover said that the new facility will be fully commissioned to the early 1990s.

Unique legislation frees MPs, Lords from party control

Vote to decide embryo research

By Alan Pike, Social Affairs Correspondent

THE GOVERNMENT yesterday introduced a "unique piece of legislation" which will give Parliament a free vote on whether research using human embryos should

The Human Fertilisation and Embryology Bill has been structured in a way which will enable MPs and the members of the House of Lords, by a single amendment, to make a decision on the potentially emotive research issue. It is likely that the vote in the Lords will come early to the new year, and in the Commons in the method.

in the spring. Lord Mackay, the Lord Chan-

cellor, describing the Bill's provision for allowing a free vote on alternatives as unique, said: "The Government does not have a collective view on this subject and it will be most interesting to listen to the debates and see the outcome."

Medical research organisations in forward of garden. tions are in favour of embryological research for up to 14 days after fertilisation under

appropriate controls.

Mr Kenneth Clarke, Health
Secretary, said that he would personally vote in favour of continuing to permit research. He believed "not to do so would set back very seriously the prospects of improving scientific knowledge of congenital health disorders.

The Bill proposes to establish a Human Fertilisation and Embryology Authority, bring-ing under its control infertility treatments like in Vitro Fertilisation (IVF) and Artificial Insemination by Donor (AID). Licences regulating the treat-ment and storage of embryosand, if Parliament agrees; research will be issued by the anthority.

Mrs Ann Winterton MP, sec-retary of the all-party Pro-Life Group, said the Bill "appears to give less protection to the human embryo that currently exists for animals."

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Antidote for foot

By David Fishlock, Science Editor

closer

BRITISH scientists believethey might be able to develop an antidote to foot and month disease, which affects cattle, because of discoveries made

and mouth

Research Council said yester-day that the atom-smashing research had enabled scien-tists to break down the struc-ture of the foot and mouths ture of the foot and mouth virus; enabling it to examine the development of antidotes.

Professor William Mitchell, chairman of the Science and Engineering Research Council, said it was an example of a valuable discovery for society from esociety connections are

"Unexpected connections are the substance of science," said Prof Mitchell, whose discovery was disclosed to Parliament this week with publication of the council's annual report, accounting for a net expenture of £358m last year.

ture of £358m last year.

The virus structure was worked out by an Oxford University team led by Prof Sir David Phillips, chief scientific adviser to the Department of Education and Science, collaborating with one of the council's laboratories at Daresbury, Cheshire which has an atomsmashing machine designed specifically to generate synchrotron radiation, an intensely bright source of intensely bright source of

X-rays.
Using these X-rays the scientists have photographed the crystal structure of the foot-and-mouth virus encouraging hopes of finding a treat-

EC urged to integrate transport plans

By Kevin Brown, Transport Correspondent

THERE is an urgent need for integrated transport planning throughout the European Community, according to a House of Lords Select Committee report published yesterday.

Road and rail provision is inadequate throughout the BC, but particularly in the UK, the

munity says in a report on transport infrastructure.
The problem was illustrated

which fell from 1.5 per cent of gross domestic product in 1975

Lords committee on the Comby the congestion and delay experienced throughout the Community, and by declining public investment in transport,

"The failure to invest may be a material factor in the slow growth of Community GDP and in the varying performances of national economies

mances of national economies
within the Community.
Europe's transport network is
central to a healthy and,
inspending economy, but these,
figures clearly suggest it is not
receiving the priority
required, the report says.
The committee says economic growth is likely to
strengthen the position of
states at the centre of the Community, while those at the munity, while those at the periphery would need an ade-

quate network of transport links to ensure that they share in the increased prosperity.

This was especially important in the UK, where transport infrastructure was less

veloped than elsewhere in

The committee also calls for the council of Ministers to minor a more corporate atti-tude to transport in Europe. The Council's failure to implement proposals put forward by the European Commission was "indicative of a lack of political will to carry out a major objec-tive of the Treaty (of Rome.)" However, the report rejects

proposals put forward by the Commission for a transport infrastructure fund, which it says would be impractical.

Instead, the report says guaranteed long-term finance should be made available to national governments from the Community's existing budget.

Looking at domestic transport policies, the committee urges the UK government to adopt a "more positive and concerted" approach, and warns that there is a real danger that UK infrastructure ger that UK infrastructure
"will not be up to the rapidly
growing needs of internal and
external traffic."

Ship group

plan worth

Bermuda-based shipping group which owns the Sealink ferry

property

£200m

Sharp divergence in steel costs favours West German companies

THE PURCHASE cost of steel to the UK for British manufacturing companies has risen by five years but the prices for steel paid by their West Ger-man competitors during the same period has fallen by 10

This divergence in price trends, measured in the two countries national currencies. has wiped out the steel cost advantage British consumers enjoyed in the mid-1980s when steel in the UK cost considera-bly less than it did in West

In January 1985, a tonne of hot rolled coil cost DM780 in West Germany and £208 in the UK, according to Meps (Europe), the Sheffield-based steel consultants which carried

out the study.

By October this year, the price in West Germany had fallen to DM700 but had risen

The comparison has been sade solely for hot rolled coll. Meps says this demonstrates typical price movements for flat products which account for 80 per cent of steel used in

However, hot-rolled coil-probably does over-emphasize the price movement. Cold-re-duced sheet, which is a more commonly used steel type, has shown somewhat smaller

movements in prices.

The divergence to purchase costs for the steel consumer is also much smaller if the figures are converted to a common, currency. On, this, basis, the price of hot-folled coil in the UK has moved between 97 per cent and 110 per cent of the German price and is now about the same

The picture is also different for those British companies

to 2342 a tonne in the UK. 2. For example UK prices in cold The comparison has been rolled sheet between the end of 1984 and 1985 have risen by 13 per cent, but have fallen by 12 per cent on a common cur-rency basis as against a fall of just 9 per cent to West Ger-

in Advertiseless, steel prices in national currences have fallen in Germany and risen in the UK. There appear to be three reasons for this:

• Currency movements reduced the German steel industry's raw material costs and those savings were passed to the consumer, • Germany has had lower

inflation rates:

The more competitive environment in Germany has helped keep prices down whereas to the UK, British Steel accounts for three quar-ters of domestic steel output. Steel prices have now begun to fall in Europe.

Cambridge seeks £250m private fund By John Hunt

CAMBRIDGE University is seeking private funding of £250m over the next 10 years to pay for a wide-ranging development plan to expand facilities and degree courses at

"Government constraints on aducational expenditure have necessarily obliged universi-ties to look for outside help," said Professor David Williams, side chancellor of the univerto balance income and expen-diture over the years but its accumulated revenue reserves are less than I per cent of

annual expenditure which ammounted to £110.5m in

ammounted to 1110.5m in 1867-88.

A new trust, the Cambridge Foundation, has been established under the charmanship of Sir Alastair Pilkington to supervise fund raising.

An important part of the development plan is the relogation of the department of the hischesistry from its six dispersed buildings to a new site.

There will also be a new venture in management education with the establishment of an institute of management tion with the establishment of an institute of management studies to provide new master of bistness administration (MBA) courses with an empha-sis on workplace experience. The engineering department The engineering department building programme will be completed with new laboartories and there will be expansion in law studies, clinical medicine, building extensions, and more books for the university library.

company, announced plans for a £200m property development on surplus port land at Harwich, Essex.

It follows the announcement

It follows the announcement last month of plans for a £100m property development at Fol-kestone, a Sea Containers port which will lose its ferry service to Boulogne when the Channel Tunnel opens in 1993.

In Brief

Home lending rises Building society landing continued to rise last month despite the increase in interest rates. Figures from the Building Societies Association, the organisation for the UK home loans and savings institutions, show loans reaching the highest level this year at \$2.4bn.

Young to Salomon Lord Young, former UK trade secretary, is to join the board of Salomon, the Wall Street investment bank as chalman of the executive committee of Salomon Brothers Interna-tional Limited, Salomon's European subsidiary,

Intermediary charged Mr John Malone, a financial intermediary who traded as J.G.M. Financial Services, has been arrested and charged with 20 alleged offences of their and fraud by Manchester police fraud squad.

Surgeons cycle call

Cyclists should wear crash belinets and be forced to take tests before being allowed on the road, and motorcycles should be banned or their engine size limited, says a Royal Cellege of Surgeons

Sell-off doubt

Mr John Lyons, leader of Britain's power station engineers, said he doubted that the Government would achieve its aim of privatising the electric-ity industry before the next general election.

Ambalance dispute

Ambulance union leaders urged workers to disregard management "dirty tricks" and management "dirty tricks" and not be provoked into refusing to answer emergency calls. Mr Roger Poole, chief union negotiator, accused Mr Kenneth Clarke, Health Secretary, of running a campaign aimed at goading staff into refusing such calls so they would lose the swell of public support for their case.

Management 'key to council rent arrears'

By Richard Evans

COUNCILS with rising rent arrears should act more posi-tively to cut the debt by improving management strate-gies, Mr Michael Howard, Housing Minister, said yester-

day.

Mr Howard was responding to a survey by the Audit Commission, the independent watchdog on local government spending, which showed rent arrears in England and Wales to have jumped a third to

arrears in England and Wales to have jumped a third to 2450m in the last year.

Arrears have risen nationwide, according to the survey of 250 local authorities. Inner London is the worst affected area, with two thirds of tentals in arrears.

The minister acknowledged that changes made in April last year to housing benefit arrangements may have contributed to average have conarrangements may have con-tributed to arrears by causing administrative problems for local authorities while they and tenants adapted to the sys-tem, "But we also accept the commission's view that coun-cils have now had time to come to terms with the charms." he to terms with the changes," he

Mr Howard welcomed the study, which concluded that many councils could reduce cent arrears eignificantly by efficient rent collection systems.

He said that while some councils are moving in the right direction he was concerned that others were apparently doing little to reduce

From April next year tenants who pay on time will have to make up the defaulters' losses, since new revenue structures will "ring fence" council housing accounts, meaning that shortfalls cannot

be made up from general the urged councils to heed the commission's recommenda-tions, including more rigorous enforcement, better informa-tion to the tenant, and firmer guidance from councillors to officials on arrears control and

recovery policies. The sharp rise in rent debt in the last year followed four in the last year followed four years when arrears remained stable at about 3 per cent of total rent owing. The figure has now risen to 4 per cent on average, with 14 authorities improving their position, 167 seeing arrears rise by 50 per cent and 17 authorities seeing them more than double.

Survey of Local Authority. Housing Rent Arrears. Audit Commission. HMSO, £3.50

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Be

EUROPE-JAPAN: OPENING UP A NEW SILK ROAD

Ever since the Meiji Restoration, when the Land of the Rising Sun began opening itself to the Western world, Europeans have been fascinated by Japan. With much the same feeling, in recent years, they have been witnessing its spectacular economic success. The relationship, however, has been overwhelmingly trade oriented. Now, a growing number of Europeans and Japanese are seeking a better understanding of each other's culture. Indicative of this new attitude is the choice of Japan as the theme of this year's Europalia, the first non-European country to be so chosen.

Brussels —. Within the framework of this European showcase which the Japanese say took them '25 centuries to prepare', Seiko Epson Corporation — a leading manufacturer of information-processing equipment — recently sponsored a symposium in Brussels on 'Japan and Europe: Changing Contexts and Perspectives", in collaboration with the Japan Institute of International Affairs. Featuring a panel of eminent personalities from Japan and Europe, it provided a rare opportunity to hear expert views on the relationship between technology and culture in Japanese society.

The Economic Miracle: Is Culture an Explanation?

A key question: Can Japan's economic success be explained by its culture? The uniquely Japanese management system, based on the 'three sacred vessels' of lifetime employment, seniority-based promotion and enterprise unions, was examined; so too was an element integral to the three — the Japanese emphasis on quality. Spurred largely by its obvious benefits and the competitive demands of the marketplace, some features of the system have been finding a growing number of takers in Europe.

If Japanese management techniques are essentially a 'cultural' phenomenon, this would be belied by their acceptance in Europe. Subtle distinctions between 'culture' and 'civilisation' were attempted at the symposium. It soon became . evident that a genuine understanding of culture includes an appreciation of cultural differences. This would be vital to managing conflicts before they get out of hand.

new 'individualism' and towards a more humane corporate culture.

Competition and Co-operation: A Synthesis

The Japanese corporate model, with its closely knit elements of competition and co-operation, might become the kind of 'corporativist' approach which will be required in post-industrial societies. It was pointed out that the conflicting undertones in the term 'cultures' may well disappear as the world advances towards a universal techno-civilisation, and that mutual cultural understanding is vital to limiting frictions in this process.

Rights' and Dutles'

Other apparent dualities, such as differing conceptions of rights and duties were also considered. The focus has not been the same in Japan as in Europe. 'Ritsuryo-seido', the first system of codified law in ancient Japan, was grounded in the concept of 'duties'. The



Constancy and Change: Two aspects of Japanese Society

Is Japan 'constant' or is it 'changing'? Winds of change are now blowing from quite an unexpected direction. Europeans are awed by the rising voice of women in the political life of Japan. Equally surprising is the emergence of a new generation moving away from the postwar priority of economic prosperity to a more diverse set of environmental, cultural and spiritual goals. It is from these two groups that pressure is expected to move Japanese society from homogeneity to diversity, from group consciousness to a

emphasis in the West, however, has been on 'rights'. This could be illustrated by the considerable difficulties encountered by those who introduced Western culture into Japan, when they attempted, in the 1870s, to translate the word 'rights' from the works of Montesquieu and Rousseau into Japanese.

It was, nevertheless, pointed out that while Japanese women in the past went to the polls as 'a duty' they had now decided to cast their vote as 'a right'. As a result of this change in voting behaviour, the ruling party was defeated in last July's election to the Japanese House of Councillors.

The Hidden Face?

The "hidden face" of Japan was another leitmotiv. Europeans are often baffled by what they believe are complexities peculiar to Japan but seem reluctant to decipher them and tackle them squarely. Would it not be worth asking to what extent the outside world is responsible for uncovering this "hidden face" and

how much it is up to Japan to reveal it? Surprisingly, one theme which was not discussed was the question of language itself. Since every language has a logic of

its own, it would have been worth considering the extent to which Japanese, based on the ideogram, as well as the spirit which it contains, may be difficult for Europeans to grasp. No doubt, the



Ronald Dore

converse is also true. Hence the effort made by the Japanese to learn European languages in order to understand the western spirit is worth appreciating. Would it not be fair to say that if more Westerners were inclined to learn Japanese, they would surely be in a better position to decipher the codes inherent to this culture?

There appears to be a measure of ambivalence in the Japanese attitude, which is one of being westernised in their dealings with the external world while remaining Japanese' at home. Is this the same utilitarian approach that allowed Japan to 'open up' to the West over a century ago, successfully adopt the Western route to industrialisation, and all along retain its Japanism'? Indeed, were not the Japanese perhaps the first to put into practice Marcus Aurelius' concept according to which "that which is not useful to the hive is not useful to the bee"?

Global Housekeeping: Japan's Potential Contribution

Japan was called upon to apply its proven skills in managing its domestic economy to the growingly urgent task of 'global housekeeping'. One aspect of this was a suggestion that more talent be drawn from Japan into the international

organisations involved in managing giobal problems. The other was an appeal from the Europeans for Japan to recycle a share of its substantial earnings into development aid and environmental programmes. Mention was also made of the commonality of interests which must now be seen in the challenge to global survival. More specifically, the idea of a joint European-Japanese Initiative for Human Survival was cited as adding a timely and much-needed moral dimension to this partnership.

Building the Euro-Japanese Relationship

At this time of unprecedented changes in every sphere of global life, a clearer definition of common interest is necessary to build a strong Euro-Japanese relationship. The onset of the 'Pacific Era' seemed to be the strongest rationale for a better understanding of the leading country in the region.

In this context, the symposium was aptly used as a forum by Mr. Willy de

Clercq, Chairman of the External Relations Committee of the European Parliament, to announce plans for a 'European Year in Japan' in 1993 in the framework of a

Initiative' recently formed in Brussels. It seems to be a paradox that the new internationalisation has been accompanied by an acute awareness of borders. In such circumstances, cultural exchanges may be as important as economic co-operation in adding depth to dialogue. As one panelist remarked, "businessmen have so far been the most visible on the 'Silk road'". It seems to be time that others also begin to make the journey on a road that is as free of

new 'European Community-Japan

obstacles as possible. This article was written by Claude-Armand Marbaix who is a Brusselsbased correspondent for Radio Canada International.



Participants at the symposium: Robert Chabbal, Director, Science, Technology and Industry, OECD; Willy de Clercq, Chairman of the External Relations Committee of the European Parliament; Ronald Dore, Professor, Imperial College of Science and Technology; Jacques Groothaert, Chairman of the Board, Générale de Banque, General Commissioner, Europalia 89 Japan; Eshun Hamaguchi, Professor, International Research Centre for Japanese Studies; Sumiko Iwao, Professor, Keio University; Guy de Jonquières, International Business Editor, Financial Times; Hidetada Maezawa, Editorial Writer, Nihon Keizai Shimbun; Yolchiro Murakami, Professor, University of Tokyo; Heinz Stadimann, Editor in charge of business and company news, Frankfurter Allgemeine Zeitung; Takeshi Umehara, Director-General, International Research Centre for Japanese Studies; W.R. Vande Walle, Assistant Professor, Catholic University Leuven; Simone Vell, Member of the European Parliament.

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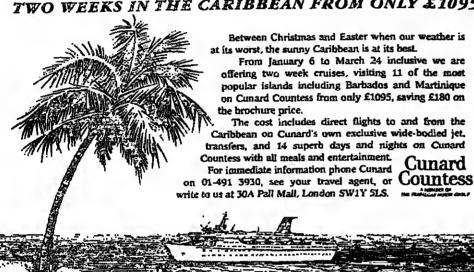
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FT LAW REPORTS

No exemption from liability for fire

Court of Appeal (Lord Justice Slade, Lord Justice Balcombe and Lord Justice Butler-Sloss):

A CLAUSE in a building repair contract exempting the contractor from liability for specified types of damage to the structure or works does not exempt him from common law liability in tort, in the absence of express words to the contrary, unless the damage speci-fied could only result from his negligence. And accordingly, inclusion of "fire" in the uption clause is no defence in tort, in that fire could arise from causes other than negli-

gence and, without express wurding, it is inherently improbable that the employer intended to absolve the con-tractor from negligence. The Court of Appeal so held when dismissing an appeal by the defendant contractor, Southern Felt Roofing Co Ltd. from Mr Justice McCullough's decision on a preliminary issue, that it would not be exempt liability if it had negli-

gently caused a fire at a school owned by the plaintiff, the Dorset County Council.

LORD JUSTICE SLADE said
that in June 1983 the council accepted the contractor's quotation to carry out repair and renewal works to a primary chool at Bourton near Gilling-

On August 27 1983, during school caught fire and the buildings and contents were severely damaged.
On the present preliminary

issue the court was asked to assume that the fire was caused by the contractor's neg-The council's County Architect's Department Conditions

of Contract were incorporated in the contract. Condition 1.7 provided that

Condition 2.1 provided that the council should "bear the risk of loss or damage in respect of the works and . . existing structure and contents . . . by fire, lightning, explosion, aircraft and other aerial devices or

articles dropped therefrom. The council asserted that liability for the loss fell on the contractor under clause 1.7, or under an implied term to carry out the works with reasonable care and skill, or in negligence at common law.

The contractor denied liability. It relied on clause 2.1. The question was whether, on the assumed facts, the contractor was liable for the loss sustained by the council as a result of the fire.

Mr Justice McCullough determined the issue in favour of the council. He concluded that clause 1.7 imposed liability on the contractor for damage caused by the contractor's negligence, and that clause 2.1 did not exempt the contractor from liability which would otherwise fall on it under clause 1.7 and at common law.

The contractor appealed. Mr Wright for the contractor submitted that on its true construction clanse 1.7 was nn more than a provision by way of indemnity against third party claims, coupled with an ohligation to insure against such claims.

That was accepted. Nevertheless on the assumed fac theless on the assumed facts, the contractor must still be lia-ble to the council in tort unless clause 2.1 absolved it from such liability

The outstanding question therefore, was whether clause 2.1 on its true construction. was wide enough to exempt the contractor from tortious liability which would other-

wise fall on it at common law. While clause 2.1 was not in terms expressed as an exemption clause, it was accepted the contractor should indem-nify the council against any party should bear the risk of

DORSET COUNTY COUNCIL v liability in respect of damage specified heads of damage, specified heads of damage, to property and should insure against such risk.

liability in tort. In The Raphael [1982] 2 Lloyd's Rep 42, 50 Lord Justice Stephenson said that in inter-preting such clauses the court started by trying to discover the parties' intention from the language of the clause consid-ared in the context of the whole contract. Then, he said, common sense told the interpreter it was "inherently improbable" that one party should intend to absolve the other from the consequences of his own negligence - "So the party relying on such clauses needs plain words to cover his negligence and its conse-

quences." In Canada Steamship [1952] AC 192 Lord Merton summar-ised the principles relating to construction of exemption

He said (1) if the clause expressly exempted the person in whose favour it was made (the "proferens") from the consequences of negligence, effect must be given to that provi-sion. (2) If there was no express reference to negligence, the court must consider whether the words used were wide enough to cover negligence. If a doubt arose at this point, it must be resolved against the proferens. (3) If the words used were wide enough, the court must then consider whether "the head of damage may be based on some ground other than negligence." The other ground must not be "so fanciful or remote" that the profer-ens could not be supposed to have desired protection against

Those principles represented well-settled law. The "proferens" in the pres-

ent case was the contractor, who was the person in whose favour clause 2.1 was made. Following the route of principle (1), the clause did not expressly exempt the contrac-tor from liability for loss or damage by fire caused by his

own negligence.

Preceeding to principle (2). the words used were wide enough in their ordinary sense to mean that the council should bear the risk of loss or damage by fire, whether or not

caused by the contractor's neg-Therefore, in accordance with principle (3), one had to see whether there was any other risk, not fanciful or remote, to which the words "loss or damage . . . by fire" could relate, other than loss or damage by fire caused by the

contractor's negligence. Mr Wright submitted that there was no such risk to which the words could relate. He relied on the words "bear the risk of loss or damage in respect of the existing structure and contents . . . by

It was not permissible to hreak up the clause into a number of component parts and to read them in isolation

from one another.
One had to read clause 2.1 as When it was read as a whole,

two significant features

(1) The heads of loss and damage to which the clause related were not restricted to loss or damage by fire.

They included loss or damage hy "lightning, explosion, aircraft and other aerial devices or articles dropped therefrom.

Even if damage hy explosion could be caused by the contractor's negligence, damage hy lightning, aircraft and other aerial devices, could not. To say that the council must bear the risk of damage in those categories, did no more than state the ohvious.

Fire, no less than the impact of lightning, could occur without the negligence or fault of any human agency. If the draftsman chose to refer to a number of possible other causes of damage which involved no fault on anyone's part, there was no reason why. in referring to fire, he should not have had in mind damage

by fire occurring without negligence on the part of the con-

tractor. (2) The loss or damage in respect of which clausa 2.1 placed the risk on the owner. was not confined to the existing structure and contents. It

extended to "the works." It was common ground that "the works" might include temporary buildings, plant and

affixed materials. It could not be assumed that property in the "the works" would necessarily be in the owner rather than the contrac-

One of them might own one part and the other the rest. In those circumstances it was understandable why the draftsman should have wished to make it clear where the risk of damage to "the works"

To provide that the council must bear the risk of fire damage to "the works" occurring otherwise than by contractor's negligence, would not amount to stating the obvious.

Such provision would echieve a really useful pur-

The contractor's submission was not accepted. The appeal was dismissed. Lord Justice Balcombe and Justice Butler-Sloss

For the council: Christopher Thomas QC and Morcus Tav-erner (Borlow Lyde & Gilbert) For the contractor: Michael Wright QC and David Thomas (Norris Berrymans)

Rachel Davies

Correction

In Wednesday's FT Law report (The Ulyanovsk, November 22), the names of the shipowners and the charterers were reversed.

The correct identification is Novorossisk Shipping Co - shipowners. The charterers were Neopetro Co Ltd.

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— November 1989: Vol. 19, No. 11

Japanese Economy Headed **Toward Tightening** of Credit

Seven months have passed since the 3% consumption tax was introduced in April. Payment of the tax on domestic sales began in October, while a heated debate is now under way in the Diet between the ruling Liberal Democratic Party and the opposition on whether to review or abolish the tax.

Production in a stalemate

The implementation of the consumption tax has had a major impact not only on the Japanese people's daily lives and on the political scenes but also on economic activities such as production and demand. As a result, growth in the na-tion's gross national product (GNP) dipped to -0.8% in real terms during the April-Junc quarter after registering a robust 2.3% in January-March. The significant drop was due mainly to a reactionary vacuum following the rush to purchase daily necessities before the introduction of the tax.

The distortion of economic activity ran its course during the April-lune quarter, and the economy is believed to have returned to normal since then. However, the pace of economic growth seems to have slowed down.

This slowdown can be seen in industrial production. The production growth in the July-September quarter seemingly remains level with the April-June quarter in which the growth rate compared with the previous quarter was 0%. The year-to-year growth of output is also slowing gradually (see figure). As well, the shipment index for July-August grew only 0.7% from April-June. In the meantime, the inventory ratio of manufactured goods rose, particularly that of

consumer goods. Looking at production by goods,

in April-June from January-March and in the average of July-Angust from April-June (see figure). The slowdown re-flected sluggish personal consumption and decelerated growth in exports.

Gradual Recovery of Personal

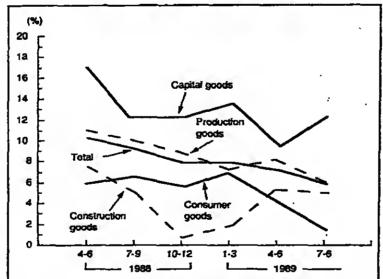
Year-to-year growth of personal con-sumption slowed to 1.9% in GNP terms in the April-June quarter from 3.9% in January-March. A survey of household spending in July showed that the rate of increase in the average real consump-tion expenditure per household was still 0.2% lower than in July 1988. In April-June of this year, however, it was 1.0% below its level a year before. Year-toyear growth of consumption expen-ditures by wage-earning households for July exceeded that of a year earlier, showing signs of a pickup. However, the slowing trend in the year-to-year growth of consumption expenditures by general households (self-employed households and owners of companies) was strength-ened in the month compared with the

Meanwhile, sales at retail stores across the nation for July-August grew 5.7% from the same period a year ago in inflation-adjusted real terms, compared with growth of 3.8% in April-June. Although retail store sales include those to business corporations, this indicates personal consumption will bounce back, albeit at a gradual pace.

Capital Investment Stays Brisk

The slowdown in consumption and decelerated growth of exports can be seen in recent economic trends in Japan. But this does not deny that Japanese

Production Growth Slowing, Centering on Consumer Goods



(Note) Year-to-year growth

economic activity is still robust at a high level. Business confidence is good, and investment in plant and equipment remains strong. Among leading indicators of economic activity, private machinery orders received in July-August, excluding those from power firms and those received by shipbuilders, showed a high 13.4% growth from the same month of last year. Meanwhile, private sector construction orders received in July, excluding housing, also increased by 20.9%. This indicates that capital investment will remain strong in the coming

Official Discount Rate Raised Domestic wholesale prices have

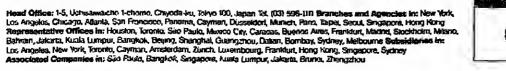
shown gradual month-to-month rises since May after posting a sizable increase in April In addition, consumer prices have been on a slight rise or leveled off on a seasonally adjusted sis without a month-to-month drop.

The edging up of prices is attributable to a tightening of the goods and labor supply-demand situations, coupled with the yen's weakness against the U.S. dol-lar. On foreign exchange markets in particular, the dollar is remaining high, re-flecting higher U.S. Interest rates, while the U.S. trade deficit has been on the decline. Under these circumstances, coordinated dollar-selling intervention by the monetary authorities of industrialized nations has not yet had a significant impact on currency moves

Therefore, major European nations raised their official rates in a coordinated manner on Oct. 5, followed on Oct. Il by the Bank of Japan raising the discount rate from 3.25% to 3.75%.

In view of the current economic situs tion in Japan, the rise in the discount rate is unlikely to dampen economic growth. This in turn means that inflationary pressures will remain strong. With the dollar's strength likely to persist, the BOJ will probably maintain or reinforce its tight monetary policy.

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The challenge lies in mixing craft-skills with automation

John Griffiths reports on the UK luxury car-maker's strategy for maintaining its independence

ould Rolls-Royce be next? Jaguar is about to join Aston Martin and AC Cars under the begemony of Ford, and Group Lotus is approaching its fourth year under the umbrella of General Motors. So Peter Ward, chief executive nf Rolls-Royce Motor Cars, accepts as inevitable questions about the future status of the company which professes to make "the best car in the world".

Crewe-based Rolls-Royce is inde-pendent only of other vehicle makers. It is not necessarily safe from takeover. Since 1980 it has been part of tha Vickers engineering group and is now its single most profitable constituent. There is no current

intention that it should be sold.
With a total turnover of £776m last year, Vickers itself is a minnow when measured against the biggest denizens of the world motor indus-

And while most analysts think it unlikely that a GM, Ford, Fiat or even a Toyota would seek to anap up Vickers merely to digest perhaps the most prestigious of all car names, the 15 per cent stake taken in Vickers by New Zealand entre-preneur Sir Ron Brierley has already demonstrated that it is not immune from speculatory winds. If this potential parental vulnera-bility is of concern to Ward, 44, he

shows no sign of it. He suggests, like the analysts, that direct take-over by another motor manufacturer should be considered unlikely - not least because Vickers' role as prominent defence equipment supplier means that government approval of the predator would be

He also takes the view that he and the similarly youthful manage-ment team that has been forged around him since the mid-1980s have enough worries with the facnave enough wornes with the tac-tors they can control, without overly concerning themselves about the ones they can't.

Ward is convinced that, despite

evidence accumulating to the con-trary as other small specialist car makers have given up the indepen-dence struggle, Rolls-Royce can remain a viable car maker for the foreseeable future if left to its own

"I really do believe that if we can carry on managing the business in

90 mention

"You need to consider that we have a £200m, ten-year investment programme which we are proving capable of funding ourselves, and we have Vickers in the background providing a sympathetic banking

"Two other big factors in our favour are that we have a much longer product life, and much greater flexibility on pricing, than any rival. And on top of that we have instituted major changes in the way in which the company operates, the really large savings from which have only recently

started to become apparent. While some Japanese car makers have managed to reduce new model cycle times to less than four years, Rolls-Royces and their Bentley counterparts typically have a life of 15-16 years before being replaced.

That is more than half as much again, aven, as the models of European luxury car makers such as BMW and Mercedes. And, unlike the other Euro-pean companies, Ward insists that there is no demand among Rolls' customers for more frequent model replacement – thus providing Rolls with valuable extra time to recoup its investment in a new model.

"Some people are only just pre-pared to come out of their Silver Shadows [superseded by the Silver Spirit in 1980]," says Ward. "Most actually want longevity in a model, not least because they don't want the value of their cars undermined the value of their cars undermined by too-frequent replacement."

Primarily for that reason, Ward has no qualms about saying that the current range of Rolls and Bentley cars — with the exception of the Corniche all variants on the same Silver Spirit body shell — will not be replaced until 1995-96.

The big difference naxt tima round, however, is that it is intended to have much greater differentiation between Rolls-Royce cars and the Bentley models which, since the Bentley name was revived in earnest in 1984, have shot from 4 per cent of total sales to just over

A completely different body design is intended for the next Ben-tleys, which will be pitched even

the way we are doing it now, we will be able to maintain our independence.

"You need to consider that we more definitively at a younger, wite to that being adopted throughmore sporting – but still, by necestory affinent – breed of industry.

"You need to consider that we owner. "Changes in our manufacture of the world's motor industry.

While other car makers are turing systems are designed to give

us the flexibility to do that." There is no intention to make Bentleya noticeably smallar nr cheaper than current cars, UK prices of which start at £67,000 for the Bentley Eight and rise to £106,000. Rolls-Royces are priced between £85,000 and £124,000.

Only the most expensive Mer-cedes or BMW models currently come within £10,000 of the very cheapest Bentley.

But Ward and his colleagues dis-

play no sense of complacency that Rolls-Royce will be able to operate ad infinitum virtually on its own in the car market stratosphere.

They acknowledge the possibilities, on the one hand, that Japanese success in the executive car market would force the European luxury further npmarket; and that, on the other, the Japanese themselves may decide to mount a direct assault, leap-frogging nver even the most sive Mercedes and BMW and rpensive Mercedes and BMW and aguar models. That means continuing, extensive

development of the cars throughout their long life and, since 1986, a revolution in the way the company makes them.

On the product front, for example, the just-launched Mk II versions of the Silver Spirit and Silver Spur incorporate Rolls' own auto-matic ride control - a complex system of electronic sensors and vari-able resistance dampers which automatically adjusts the car's ride and handling to changing condi-tions as frequently as 1/100th of a second. Mike Dunn, engineering director, says that, whereas Rolls tends to usa a technology only when it is fully proven, "for once, we're out in front hy world stan-

Dissatisfied with the characteristics of proprietary electronic antiskid braking systems, Rolls devel-oped its own and now machines the entire braking system itself.
At a lower-tech level, Rolls is now

making all its own window frames - "simply because we couldn't get the quality of finish we wanted." All the above are facets of a strat-egy which runs diametrically oppo-

increasingly becoming assemblers, farming ont the design, development and production of more and more parts to component suppliers, Rolls-Royce is becoming increas-ingly self-reliant and making an ever greater proportion of its cars

In 1986, some 50 per cent of the value of a Rolls Royce or Bentley comprised bought-in parts. Now the level is 35 per cent, and is still going

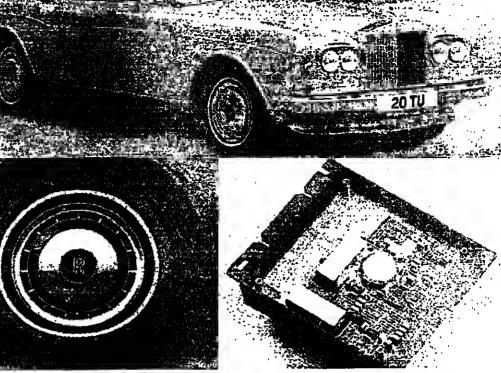
It is the result, says Peter Ward, "of our volume leaving us right at the back of the queue for many component suppliers, some of whom try to exact an unwarranted premium simply because it'a Rolls; changes we want to make as market demand shifts; and who don't necessarily always deliver the quality we

But such an approach would not have been possible were it not for a Board meeting in 1986 which surveyed some of the classic symptoms of time-worn and inefficient production practices — notably, recalls Ward, "constantly chasing short-ages yet elsewhere having high lev-els of inventory" — and decided to do something radical about it.

he result was the complete re-ordering of plants and processes under a new, computer database-centred operations system, Manufacturing Resource Planning (MRP III). This controlled all aspects of the company's activi-

In essence, Ward and his colleagues were treading a path familiar to hundreds of modernising companies, but perhaps it was a more than usually stony ona at Crewe because of the complexity of the finished product — each Rolls has 12,000 parts assemblies - and the chaotic, inherited mixture of labour-intensive, and mostly outdated, machining plant and pro-cesses with the intensive craft pro-cesses which the company has every wish and intention to pre-

MRPIII is bringing inventories under control by monitoring all aspects of building the cars. The



Cars in the current range include the automatic ride control (bottom right) which automatically adjusts the car's ride and handling to changing conditions as frequently as 1/100th of a second

machine shop was the first to go on line, in spring last year, other areas being added in stages, culminating with me of the biggest links in the chain, a new £10m paint shop, three

months ago. Having reached the stage where the right parts are mostly in the right place at the right time, Hill expects to see some £6th stripped out of inventory levels over the coming months.

Overall, productivity has already jumped - "we've gone from making 45 cars a week in 1983 to 59 a week

this year, with the same work force," nbserves Ward. Ward stresses that nothing will be done to diminish the craft ele-ment in Rolls-Royces – the pains-taking matching and preparation of wood veneers, the making by hand of a radiator shell with not a measuring lustroment in sight; the hand cutting and stitching of the Connolly hide interiors, and so on. Somehow, however, this undimin-ished craft element will have to be reconciled with new assembly tech-

niques when the next generation of cars starts rolling off the line. "The challenge for us is how to continue to hand-craft while producing cars more predictably and quickly - we have to be able to take benefits from both sides so that we never become anachronistic and old-fashioned, nor lose our hand-craft skills."

With the next car, the emphasis will be on predictability of build as Rolls' own 'just-in-time' production systems become more firmly estab-lished. Rolls will have to find a way, for example, of designing the new car so that it doesn't take, as now. up to 16 minutes to hang me door ecause variations in the size of the hand-made soft trim makes it diffi-

cult to fit. It will also, at some stage in the future, have to make some funda-mental decisions about the development of key major components, such as whether it needs to huild a new engine, or whether the existing V8 can be further developed to take account of factors such as evertightening exhaust emission laws. Ward stresses his belief that even this should be manageable, given

broad front on which

Rolls-Royce is making its sales advances and its profits even after what, for it, are beavy investments. Last year, Rolls made a £23.2m pre-tax profit on sales of £205.3m. the latest of several profitable years. Its £16m spent on research and development represented 7.25 per cent of sales, nearly double the 1964 level. It is planned to rise to

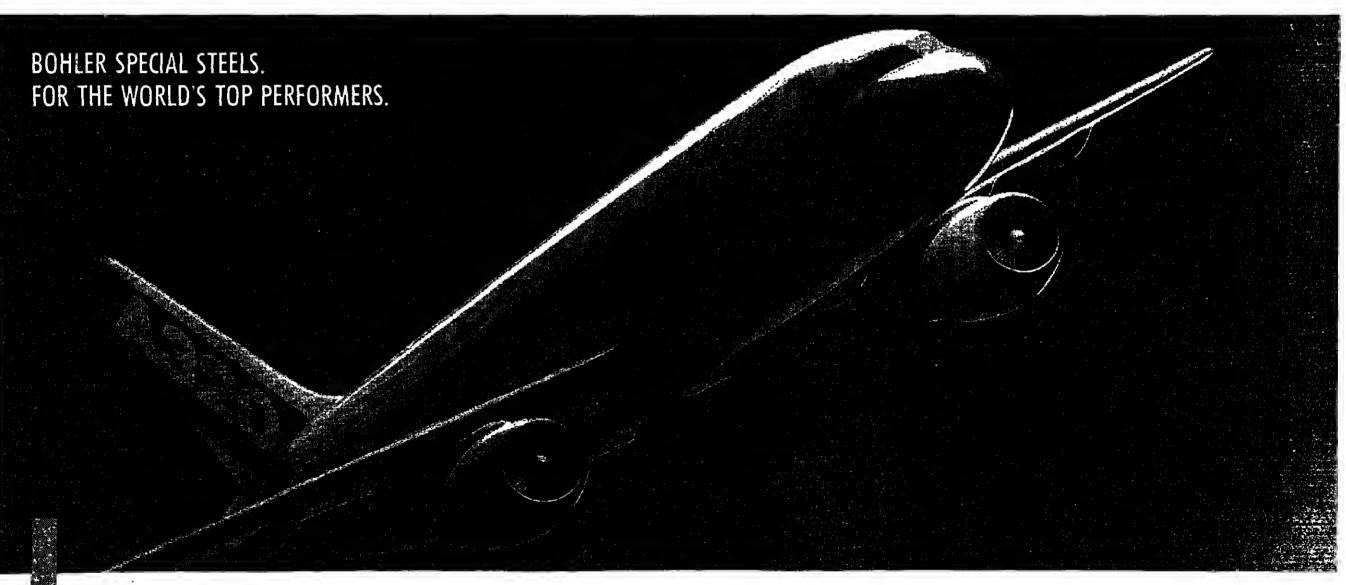
After achieving 2,801 sales last year, Rolls links lika breaking through the 3,000 threshold this year for the first time in well over a

Not least important, dependence on the North American market where Jaguar most nutahly among other European luxury car makers has been financially hit by falling sales and thedollar – has been reduced to the extent that the UK has become its largest single mar-ket, with 36.8 per cent of sales in this year's first eight months, compared with 34 per cent in the US, 19.4 per cent in Continental Europe and the Middle East and 9.8 per cent in the rest of the world. Sales growth rates were 62 per cent in the Pacific basin, 56 per cent in Conti-nental Europe, 20 per cent-plus in the UK and 10 per cent in the Mid-dle East, US sales were static.

Ward says, cautiously, that, take-overs apart, he thinks it would need a world market catastrophe" to

threaten Rolls-Royce's survival. Given that Toyota's Lexus outsold BMW in the US in September, its first full month of sales, some industry observers wonder whether

as seen from a European perspective — precisely such a scenario may be in the offing.



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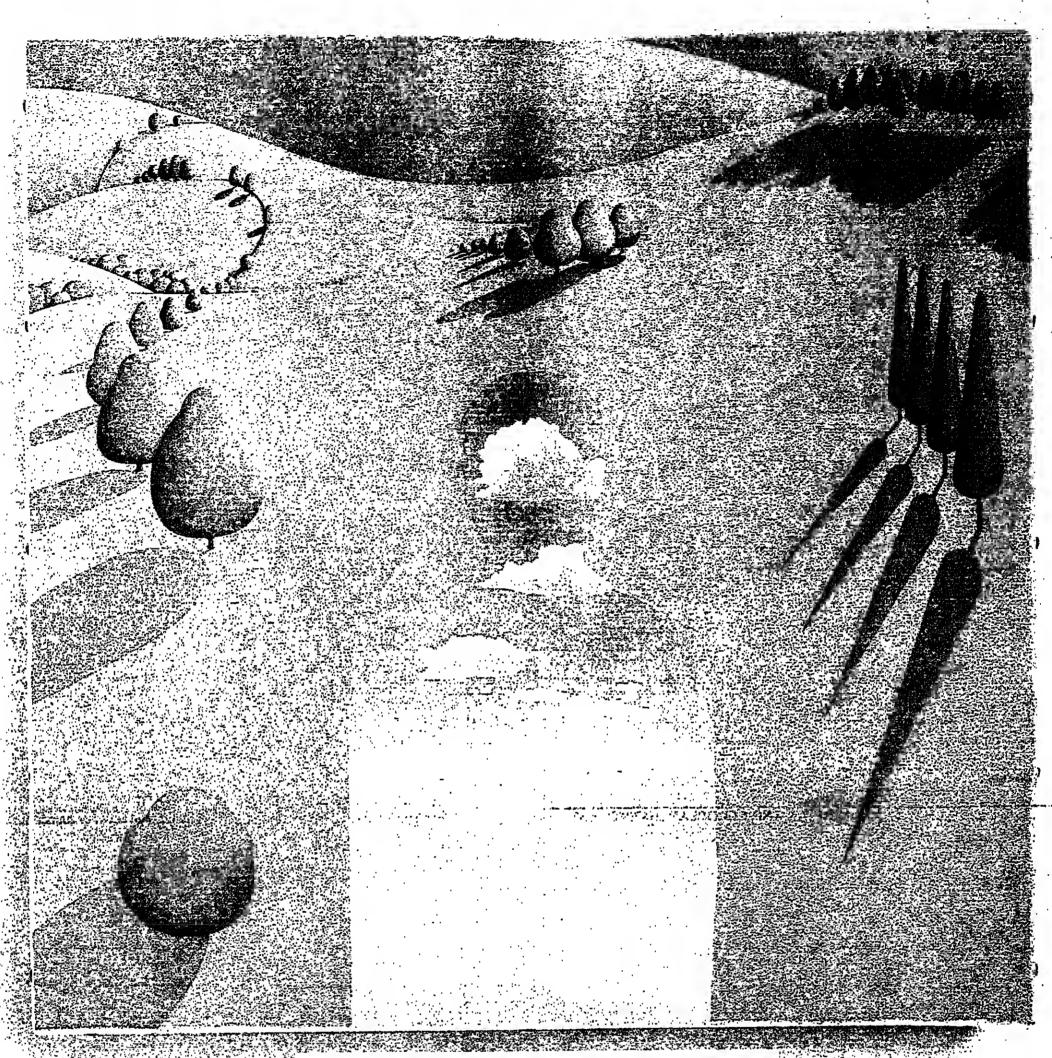
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TECHNOLOGY

echnology projects usually involve several design ideas, all seeking to meet changing and often contradicdesigning to a clear specifica-tion for a particular require-ment. This philosophy of designing by development is expensive, time consuming and

lacks logic.

To help overcome some of these problems, which can devastate fixed or maximum price

astate fixed or maximum price contracts, a new technique called rapid prototyping has been developed by British Aerospace. It is applicable to all industries with complex systems to design and manage. The technique was developed to help BAe control the costs of its biggest maximum price contract – for the European Fighter Aircraft, due to fly in 1991. Rapid prototyping is being used initially in the design of the electronic cockpit of the aircraft. The project also of the aircraft. The project also involves Messerschmidt Bölkow Blohm of West Germany, Aeritalia of Italy and Casa of

Spain.
The main development contract, worth £20bn, runs for 12 years, with the maximum price set at the outset. Significant penalties will be applied by the defence departments of the four governments if the manufacturers fail to meet the specific requirements, which are more demanding than in any aircraft built in Europe or possibly anywhere

sibly anywhere.

The company says that its rapid prototyping technique could help in the production of complex products and the management of systems in a wide range of industries.

Rapid prototyping allows ideas to be tried at a cost 1,000 times less than using conventional prototypes. It also allows new ideas to be inserted into the programme without increasing the risk. BAe says the technique offers designers a tool that allows them to "pop new ideas in as the design progresses" without the uncer-tainty associated with the pre-vious approach of evolutionary

One of the problems with complex projects is that often they do not start life as pre-cisely defined concepts with clear design parameters. The automotive, computer, pharma-ceutical, military equipment, aerospace and computer fields have all worked to some extent

Lynton McLain finds that rapid prototyping can reduce the risk of unpredicted design errors

tory requirements. Some industries, such as acrospace and car manufacture, have designed projects by an evolutionary process - almost by trial and error - instead of designing to a clear specific. the first time

One result is that projects for a new product are some-times not managed logically. A design idea is tested by making hardware to see if it works. If it does not, the process is repeated until a satisfactory product is designed. Rapid pro-totyping seeks to improve this costly process.

The electric version of the old-fashioned kitchen kettle came about in this way, according to Bill Scarle, the chief systems development engineer at the BAe military aircraft factory at Warton, Lan-cashire. The tall, slim electric kettle of contemporary design, however, was designed to meet a precise requirement, says Scarfe.

Scarfe.
Scarfe and his systems development colleague, Ken Martin, BAe's principal engineer for advanced systems, have devised rapid prototyping as an approach to the management and control of complex systems that could rationalise the way they are finalised and put together. It is a "dynamic iterative (repetitious) design tool," says Martin.
Sometimes, an idea does not come out as expected when it

come out as expected when it is translated into hardware. A new requirement or a new technology may have evolved since the original design was

Design risk Quantum High risk change Risk- probability of unpredicted

they want to test, a design con-

cept leads to a specific rapid prototyping tool, which is used for building the design. Prior

to evaluation, this is tested and validated. An analysis feeds

information back into the con-ceptual design stage for revi-sion if necessary.

sion if necessary.

This is carried out before any hardware is designed for

the procurement of the air-craft. Martin says the rapid

prototyping technique enabled the designers to examine the design before it was finalised.

"Rapid prototyping enables us to firm up the design before we go to any equipment for pro-duction."

The European Fighter Air-

craft project was the catalyst for BAe to develop rapid proto-

typing. This is a maximum price contract, yet it involves unprecedented leaps in

requirements and performance. The European Fighter has to

perform better in every respect than all opposing aircraft. It will use 20 times as much com-

puter software as the Tornado aircraft that BAe is also produ-

cing. It has to have only half the initial defects of the

already reliable Tornado air-

the original design.

Rapid prototyping reduces
risk and speeds up design by
seeking to reduce the probability of unpredicted error, the great unknown in any design. Rapid prototyping does this hy increasing the knowledge of the system or design available to the design. to the designer.

It offers engineers a low-cost method for simulating initial design ideas, basing evaluation

Rapid prototyping allows ideas to be tried at a cost 1,000 times less than conventional prototypes

conceived. The design is modisoftware in the case of com-puter equipment — is produced and tested until a satisfactory execution of the design is

Designing products this way is fraught with uncertainties, largely because the designers at the outset are unsure of what they are setting out to achieve. It is high risk, costly and inefficient. The end product may be far removed from

on commercially available hardware components and commercially available com-puter software. These low cost rigs for testing ideas can be hull, dismantled and rebuilt rapidly. Rapid prototyping involves a closed loop for development. This means that it avoids the procurement of production standard hardware before the design of a project is

Once the designers have defined the particular system

The design task is so com-plex that "all knowledge on the Eurolighter airborne electronics systems, for example, has to reside on paper, or in a computer, not in a human brain," BAe says. The company says that it is no longer possible for any one person to know every-thing about a project.

Previous complex projects often involved people design

ing parts of a system without knowing the implications of their work for other parts of the project. Rapid prototyping will enable all computer software on the European Fighter Aircraft to be written and proved before its first flight. This sounds like common sense, hut previous aircraft such as the Tornado flew without finished systems or soft-ware. Problems as faults were found. Scarfe admits that in the past "we got it wrong."

The immediate predecessor to the European Fighter Air-

craft, the BAs Experimental Aircraft Programme technology demonstrator, was 10 times more complex than the Tor-nado, yet rapid prototyping reduced its development time by half.

Before rapid prototyping was applied, "the computer soft-ware for our aircraft was never right when the aircraft flew for the first time. It always required further development in order to get it right," Scarfe

Software was formerly developed on a piecemeal basis, with a lot of knowledge resid-"with a lot of knowledge residing in a very few experts' heads," BAe says. This was fine for simple projects, analogous to simple drawings for simple mechanical parts in a simple machine. But for the complexity of the European Fighter Aircraft the piecemeal has is wat inadequate Software basis was inadequate. Software development had to start at the top, with an overall specifica-tion that would not change once the final design was under way.

This removed one of the uncertainties of complex projects, when specifications were liable to change midway through a design exercise. The working software is to be produced in detail much later in the development of the aircraft using the rapid prototyping technique and their own software methodology.

Scarfe and Martin say the primary goals of rapid proto-typing are to reduce the design risk, reduce the development time and cost, to give a better end product with better value for money for the customer and better profit margins for the manufacturer.

The automated valet that expects no tip

Anna Kochan visits St Etienne's car park facility

hile car drivers in Paris are liuble to have their driving licences confiscated if they infringe the parking regula-tions, in St Etienne drivers have the opportunity of leav-ing their cars in a new fully automated car park.

The car park is the brain-child of local company EETIC. Its president, Eric Sigoure. claims the car park can store twice as many cars per cubic metre of space as a conven-tional multi-storey.

Construction costs are slightly higher, though run-ning costs are lower. Perhaps most important, at least as far as the public is concerned, is that the car park is vandal-

When the time comes to remove the vehicle, the user feeds this ticket into a machine at the exit point, pays the sum indicated by the machine and within 55-80 sec-onds the car is automatically delivered. No human intervention is required but Sigoure says that the car park will

graphical location, The car park is a rectangular huilding with four entry and exit points added at ground level ou the longer side of the rectangle. Inside the main huilding, the parking spaces are arranged in two parallel vertical shells made of

Between the two walls of arking speces is a central vate code of their own choice. This code, together with the parking speces is a central rectangular "well" containing an automated handling system. This system incorporates two elevators which share the work of storing and retrieving the vehicles. The elevators carry the vehicles on a platform from the entry polut, bring it through a "hatch" in the wall into the internal well and deliver it to its parking

The elevators run the length of the well ou a system of floor-supported rails and can raise the platform from top to

bottom of the building (the

concept is modular so EETIC can configure the construction

can configure the construction to fit the space available). At the heart of the automation is a computer system which keeps track of the location of all the vehicles. The software itself is not complicated because the information is not extensive. For each transaction, the time of entry.

transaction, the time of entry, location of vehicle, and the code that corresponds to the magnetically coded customer ticket are recorded.

To safeguard against false loss of ticket claims, custom-

Entry

The EETIC

automatic car park Situated close to the centre of the main shopping district in St Etienne, the car park cost FFr14.5m (£1.5m) to build. It is FF14.5m (£1.5m) to build. It is constructed on eight storeys, two of which are underground, and has 184 spaces for cars. The driver takes his car into an cutry point, leaves it with the hand brake on, and safe-guards the ticket that is auto-- ASE matically issued to him as he walks from the car park.

operate with full-time surveil-lance, despite the many sens-ing and safety devices incorpo-

Cameras are located at strategic places inside the car park so that the operation can be watched remotely, As more car parks of this type begin to operate, Sigoure hopes to com-bine some of the remote sur-veillance facilities. That will depend, however, on their geo-

entry time and car description, is sufficient identification in the case of a lost ticket. Requests for retrieved vehicles are answered on a first come, first served basis.

Before accepting a vehicle, ultrasonic and intra-red sensing devices check that, for safety reasons, it does not still contain a person. The car is then centred laterally by a sys-tem of floor-based rollers on to which the wheels have been driven to reach the parking position. Only then does the

platform move under the car to prepare to pick it up. Having centred the car, four pairs of pincers which are fit-ted into the side of the platform appear around the wheels and close in on them, adapting to their size and position. Stgoure says that the force is no more than what the car would encounter in everyday driving and that there is no danger of any damage to the vehicle.

He also claims there is no possibility of a breakdown in the retrieval system preventing customers gaining access to their vehicles. Duplicates of the elevator operating equip-ment such as drive motors have been fitted as well as a huck-up computer. No safety measures have been spared. There is even an electricity generator on site which is automatically hrought into action in the case of a power

cut. The sdvautage of the St Etienne car park is not only thet more cars can be stowed in less space, but that smaller car parks with as few as 40 cars can be cost-effective.
Sigoure claims to have five or six interested parties in his

automated car park and is on the point of signing a contract for his second project - a carpark for about 130 cars, dis-tributed on 22 floors, for Nice town centre. It should be operational by the end of next

Since car parking is not only a French problem, Sigonre hopes to have his first project ontside France operating in two to three years.

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COMPANY NOTICES

AFRICAN AND EUROPEAN INVESTMENT COMPANY LIMITED eperated in the Republic of South Africa)
Resistantion No. 01/02154/06

NOTICE TO HOLDERS OF PREFERENCE STOCK WARRANTS TO BEARER PAYMENT OF COUPON NO. \$4

With reference to the decirration of dividend on 16th November 1919, the following information is published for the guidance of holders of stock warmen to beaute. The dividend of 3 costs per unit of stock was declared in South African currency. South African post-resident abunchedom, tax at 0.45 costs per unit of stock will be deducted African neat-resident elverholders, tax at QAS overs per unit of stock will be deducted from the dividend payeble is respect of all stock westers compute leaving a set dividend of 2.55 cents per unit of stock.

The dividend on boson stock will be paid on or other 15th February 1990 against un of coopen No. 84 detached from the stock warputs to bester as ander: (a) At the office of the following continental paying agent Credit do Nord

6-1 Roni

75009 Peris

75009 Petrs
In suspect of compone lodged at the office of the continuental paying agent the
dividend payment will be made in South African consensy to an authorized dealer in
exchange in the Republic of South Africa southersted by the continuental paying
agent. Instructions regarding disposed of the presented of the payment so made must
be given to such authorized dealer by the continuental paying agent concessed.

(b) At the Sommittee Department of Hill Sensed Benk Limited, 45 Boock Street, London EC2P ZLX. Unless persons depositing component such office request payment in mad to an address in the Republic of South Africa, payment will be used in United Eingdom currency either: made in United Kingdom currency either:

(i) in respect of compose ledged on or prior to 8th February 1990 at the United Kingdom currency equivalent of the mad executory value of their dividend

Engdon ourrescy opsivelor on 11th Documber 1999, or

(ii) in respect of coopers ledged after \$25 February 1990 at the providing rate of exchange on the dry the proceeds are remisted, through an authorised dealer in exchange in Johannesburg to the Securities Department of Hill Semest Bank Limited.

Bank Limited.

Coupers must be left for at least four close days far examination and any be presented any weaklest (Saturday excepted) between the hours of 10 am sed 3 pm.

United Kingdom incomes tax will be deducted from payments to any person to the United Kingdom in respect of coupers deposited at the Securities Department of Hull-Samuel Bank Limited, unless such coupers are accumpated by Inland Revenue residence declaration forms. Where such deduction is made, the set extense of the dividend will be the United Kingdom courancy equivalent of 2.25 costs per unit of stock to terms of sub-paragrah (b) above arrived at as follows:

South African Currency Conta per Unit of Stock Amount of dividend declared Less: South African Non-Resident staroholders' tax at 15% 255 Loss: U.K. imposes text at 10% of the gross amount of the dividend of 3 cents 0.30 225 London Office: 40 Noiborn Vinduct For ead on beint of ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
London Southeries Loudon ECIP LAJ 24th November 1989

Note:
The Company has been requested by the Commissioners of Inland Revenue to state:
Under the double tex agreement between the United Kingdom and the Republic of
South Africa, the South African non-resident shareholders tax applicable to the
dividend is allowable as a could against the United Kingdom tex payable in respect of
the dividend. The deduction of az at the reduced sate of 10% instead of the basis rate of
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It has been determined at a Board Moeting held on 16th November 1989 that the interim dividend for the year ended 31st March 1990 shall be paid to shareholders of ment as of 30th September 1989 at rate of 2.50 Yea per share on and after 15th December 1989. Semi-annual report for six months ended 30th September 1989, will be available at Husebros Bank Limited and Banque Internatio-nale a Luzembourg by end of ber 1989.

HAMBROS BANK LIMITED

AFRICAN AND EUROPEAN INVESTMENT **COMPANY LIMITED**

(Incorporated in the Republic of South Alice) Registration No. 01/02154/06

NOTICE TO HOLDERS OF SIX PER CENT CUMULATIVE PREPERENCE STOCK WARRANTS TO BEARER CLOSURE OF LUNDON OFFICE, PARIS PAYING AGENCY FACILITIES AND TERMINATION OF LISTING OF SIX PER CENT CUMULATIVE PREFERENCE STOCK UNITS ON THE INTERNATIONAL STOCK EXCRANGE IN LONDON

The International Stock Enthungs in London has spread to terminate the listing of the Company's perfections stack units on that Enchange with affect from Pridry, March 30 1990.

1990.

The United Kingdom segmen contains less than 1.5 per cent of the total issued preference stock upin of the Company. In view of that Sephad number of stock units and the very fow trading transactions which have taken place over monet jours, the Board of Discusses is of the opinion that the superso involved in maintaining the Leadon listing, a London office and the United Kingdom register of members is no longer warranted.

Accordingly, in terms of Article 133 of the Articles of Association of the Company, the London Office will close with offert from March 30 1990 and the histing of the Company's preference stock noise on The Intermeticael Stock Euchange in Locaton will

terrations a from that dete.

All the issued preference stack main of the Company are said will continue to be listed and dealt in on The Johannanburg Stock Exchange. After Metch 30 1990 it way also be possible to deal in the preference stock units on The Integrational Stock Exchange in London in accordance with Rais 535.4 of that Exchange. London in accordance with Rais 535.4 of the Enchange.

In addition, the coupon paying anangements with Cordit du Nord, Peris will cours with effect from March 30, 1990. However, coupons etasched from the Company's proference stock wanters to bear may continue to be presented for payment at, or

Securities Department Fill Summel Bank Limited 45 Bosch Street London EC2P 2LX

Holders of preference stock warrants to bearer are reminded that in terms of the conditions relating to the stock units dividends are payable such year on February 15 and August 15 against surrender of the relevant coupon detached from stock warrants to bower.

The number of stock waits represented by stock warrants to bearer is insignificant (0.1 per over) in relation to the total issued preference stock units of the Company. Accordingly the Board of Directors has also decided that to continue advertising notices for the graidence of preference stock warrants to bearer regarding the psyment of coupons can no longer be justified and exmentantly no such advertising an extensive bearer bodders are advised that is erder for Future payments to be arranged, coupons should be posted to or longed with FBH Samuel Bank Limited only at the above address so that they are received at least few clear days prior to the respective payment dates of February 15 and August 15 in each year. Coupons may be provened any weekday (Satarday excepted) between the hours of 10 a.m. and 3 p.m. Cospons or other documents sent by post are sent at the owner's risk and consequently the use of negistaned post is accommended. Dividends will consiste to be puted in Sanling constraint. The number of stock units recensuated by stock warrants to beauty is insi

connectory.

Dividends paid against coupons surrended after March 30 1990 will be paid by choque in Starling currency irrespective of the place of residence of the holder or whether the copons to surrendered state to a dividend which became puyable before February 15 1990.

In terms of the Republic of South Africa Income Tax Act, 1962, as amended, asspeciation shareholders tax will be deducted by the Company from all dividends payable to persons surrendering a coupon detached from a stock warrant to beaver. The effective rate of non-resident shareholders tax is currently 15 per cost.

United Kingdom income tax will be deducted from dividend payments relating to coupons ledged with Hill Sement Benk Limited unless such coupons are accompanied by biland Revenus son-residence declaration forms, or where coupons are accompanied by laland Revenus son-residence declaration forms, or where coupons are accompanied by laland Revenus son-residence declaration forms, or where coupons are accompanied by laland Revenus outside sensitive to a secondance with instructions, to an address custide the United Kingdom. Under the artisting provisions of the double arration agreement between the United Kingdom and the Republic of South Africa, South African non-resident shareholders' are applied to dividends will, however, remain allowable as a credit against United Kingdom income tax payable in respect of such dividends and any United Kingdom income tax deducted from dividend payments will be calculated to reflect that arrangement or any amendments thereto.

Rolders of stock warnests to bearer wishing to reconvert their warrants into registered stock units may do so by ledging them with Rill Samuel Bank Limited, together with all contamining coupons and talors, and a completed re-conversion form available from

After March 30 1990 all correspondence relating to the preference stock wastants to bearer, other than on matters relating to dividend payments and m-conventions, should be directed to the Company's Transfer Securities in the Republic of South Alisea-

Consolidated Share Registrars Limited Ist Floor, Educa 40 Commissioner Street Johannesberg 2001 (P.O. Box 61051, Marshalkown 2107)

or to the Head Office of the Company at the activess shows below.

By order of the Bo For and on behalf of ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

London November 15,1989 Head Office: 44 Main Street

Landon Office: 40 Holborn Vizer London ECIP IAI

LEGAL NOTICES

No. 006367 of 1989 IN THE HIGH COURT OF JUSTICE CHANCERY DIVISION MR JUSTICE HARMAN Monday the 8th day of No

IN THE MATTER OF BELLHOUSE & JOSEPH INVESTMENTS LIMITED IN THE MATTER OF

Notice is hereby given that the Order of the High Gourt of Justice (Chaineary Dhislon) challed in November, 1988 benditraine the reduction of an amount of EXS,074 standing to the tradit of the share premium account of the above-named Company was registered with the Registrar of Companies on 15th November, 1988.

Daned this 22nd day of November, 1980

Ref. 146/C136 Solicitors for the above-named Company IN THE COURT OF JUSTICE CHANCERY DIVISION COMPANIES COURT

No. 005067 of 1989 IN THE MATTER OF **BOSTROM PLC** AND IN THE MATTER OF

THE COMPANIES ACT 1986 NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice, Chancery Division dated 30th October 1988 confirming the cam-cellation of the amount of £1,032,000.09 transiting to the credit of the share premium account of the company was registered by the Registrar of Companies on 8th November 1880.

DATED THIS 14TH DAY OF NOVEMBER 1966

Wrappe & Co Mesers, Wrappe & Co., Solicitors, Bank House, & Cherry Street, Birmingham B2 5.1Y

Solicitors for the above-named Company. RE:: 10137/19/JGP/PKS

NOTICE OF CREDITORS' MEETING UNDER SECTION 48(2) OF THE INSOLVENCY ACT 1986

Registered in England and Wales Company No: 2100287

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NOTICE IS HEREBY GIVEN, pursuant to Section 48(2) of the insolvency Act 1900, that a meeting of the unsecured creditors of the show named company will be hold at the Street, Manchester, M1 SED on 28 November laid before it a copy of the report prepared by the administrative receivers under Section 48 of the seld Act. The meeting may, if it thinks It, establish a committee to exercise the functions conferred on creditors' commit less by or under the Act.

Creditors are only entitled to vote it: (a) they have delivered to us at the address shown above, no later that noon on 27 debts they claim to be due to them hom the company, and the claim has been duty admitted under the provisions of Rule 3.11 of the insolvency Rules 1986

(b) there has been lodged with us any proxy which the creditor intends to be

Please not that the original proxy algord by or on behalf of the creditor must be lodge at the address mentioned; photocopies (includ-

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FINANCIALTIMES

No concessions to Leeds tenants

By Paul Cheeseright

eeds knows about the gloom in London. But London, increas-ingly introspective with worries about the City, the securities industry and the stock market does not necessarily know that property people in Leeds are rather chirpy.

It is not that Leeds is laughing.

Rather it is that the supply and demand situation in Leeds has not yet reached the point where there is an obvious short term over-supply of office or industrial space. The Leeds market is st a different place in its cycle from that

of, say, the City of London.

There is some statistical evidence to support this, but for the most part, perceptions of the market come from anec-

Only about 130,000 square feet of new office space will become available in 1990

dotal evidence and s synthesis of

On the statistical side, dealing with that tight office market, beside the shopping and civic areas, hemmed in between the motorway network and the River Aire, there is the simple fact thet only about 130,000 square feet of new

space will become available in 1990. Bernard Thorpe, chartered surveyors, has calculated that of about 450,000 square feet of space to be completed in 1990, over 300 000 square feet of space to be completed in 1990, over 300,000 square feet has been pre-let or committed. Further, on the Thorpe figures, the level of spsce take-up has risen since the mid-1980s

from 200,000 square feet to 350,000 square feet a year. Historically, "rents continue on an upward path when we have no more than two to two and one half years stock," said Ian Barraclough of Thorpe. Any company looking for 50,000 square feet of new or nearly new space for immediate occupation would find itself in difficulties. It is true that there are developments running through the town centre pipeline. MEPC, for example, this week disclosed plans for a 70,000 square feet redevelop-ment to be available in 1991. And there are a number of smaller schemes. But

the figures suggest a squeeze.

Here the situation becomes tricky because it is not yet clear what effect the Government's restraint measures will have on the local economy. In Leeds, there is a belief that the upward trend on the market still has some way to run, but that the main growth for

this cycle has already taken place.
Office rents have jumped to over £16 from 26.50 a square foot for the prime properties. There is agents' talk of £20, but even if that figure is reached in isolated transactions, the big jump has already taken place.

That assumes steady rather than pressing demand. But the assumption is reasonable. Leeds trumpets its virtues as a financial centre, but, Mr Barraclough observed, "insurance companies seem to be reserving judgment on moving and increasing expenditure. Banks have been cautious for 18 months. It's really been the professional sector which has been taking the large chunk

If the prospects of future rental growth are limited, then there is less incentive for institutional investment and there is some evidence that prime office yields, which have been holding in the 6.25 to 6.50 per cent range have started to soften.

Slowing growth, however, is consist ent with the general performance of the industry as it comes through in the measurements of the investment Property Databank, the snhject of the

accompanying article.

And slowing growth is a natural consequence of higher interest rates. "The cost of money exceeds the growth of property values," noted Edward Ziff, a director of the Ziff family-controlled Town Centre Securities, the Leedsbased property investment company.

There is abundant evidence of the speed with which a market like Leeds can tilt to over-supply

The concomitant is that the Leeds The concomitant is that the Leeds property market is much quieter. The mood is more cautious. "It has gone back to being a place for the professionals," said Mr Ziff. "Eighteen months ago you could huy on a Monday and sell on a Tuesday. Now you don't huy on a Monday, so there's nothing to sell on Tuesday. And there are no buyers anyway."

Here then is a picture of the market which is firm but from which the hysteria has departed. Firm because the no evidence of property owners having to entice tenants to take space. Not even in the suburban industrial sector,

probably the first likely to feel chill economic winds.

We offer no concessions to the tenant" said Mel Burrell, chief executive of the Leeds City Development Company, set up by the City Council to undertake ventures with the private sector and now, it claims, the most active developer around the city. "Leeds has a demand cycle. It's now on the up. It's got two years to run" he said. got two years to run," he said.

But the experience of the past gives undant evidence of the speed with which a market like Leeds can tilt to over-supply. And there are enough plans and projects in the office sector to ensure just that, should they all go

Town Centre Securities, Postel and Mountleigh all have schemes on the western side of the city. NFC Properties has one on the south side and, closer in, so does a consortium of Leeds City. Development, NCP and Yorkshire Rider as the landowners and Rosehaugh as the developer. There is the potential in these schemes for 3m square feet of new space, all in areas which hitherto have been outside the main Leeds commer-cial district, all of which can be pulled together under the label of urban regen-

Yet it is a measure of the cautious tone of the market that even if all the projects received planning consent, none of them would go ahead on more than a limited scale without a pre-let or a pre-sale. Speculative building will be strictly limited. The memories of 1982, when there was Im square feet of office space hanging over the market, are still fresh. IPD monthly index Total return, Dec 1986-100 Industrial

Lowest figures of the year

RETURNS from property investment are drifting. There is still growth in the market, but, for October, the Invest-ment Property Databank reports, all the measures are showing the lowest figures of

the year. For the year to October, total returns for all properties were 20.9 per cent, compared with 31.3 per cent for the year to October 1988. The figures make emphatic a trend which make emphatic a trend which has emerged since the beginning of the year: a very cyclical industry is turning down.
"On a geographical basis, all parts of the country are showing a similar trend. Over the

last year a total return of 20.7 per cent has been recorded for London properties, 21.2 per cent for the south east and 20.6 per cent for the rest of the UK." IPD said. Yields are fairly stable. The falling level of returns, IPD said, is largely because a reduced rate of rental growth is feeding through to falling rates of cap-

ital growth. The industrial sector has again been the highest per-former. In October, the sector was showing a total return of 1.2 per cent, half the level recorded in September. Returns were higher outside the south east

In the offices sector too, the strongest growth was evident in the regions. But overall returns in October were at the lowest for the year, down to 1.0 per cent from 1.7 per cent in September.

The retail sector continues to be the lowest performer. No to be the lowest performer. No capital growth was recorded in October and total returns for the month were 0.4 per cent. IPD noted "evidence that yields are moving out quite sharply." Regionally, the retail sector is the reverse of offices and industrial: best performance has been in London.

Paul Cheeseright

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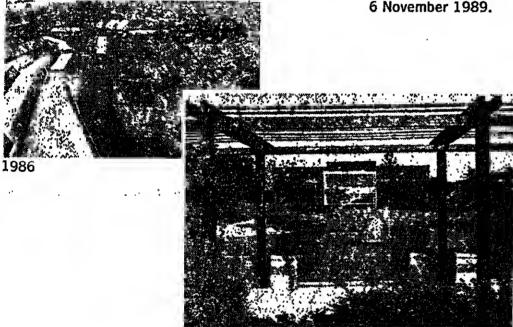
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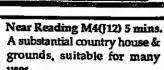
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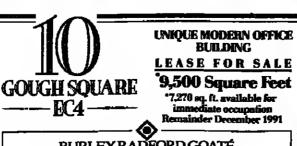
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LEGAL NOTICES

NOTICE OF CREDITORS MEETING UNDER SECTION 48(2) OF THE INSOLVENCY ACT 1986

Registered in England and Wales Company No: 2171152

UNITED PLASTICS (UK) LIMITED

NOTICE IS HEREBY GIVEN, pursuant to Sec-tion 49(2) of the Interlency Act 1985, that a meeting of the Lineaurod creditions of the above numed company with be held at the offices of Cork Gully, Abecus Gourt, 6 Min-shull Burest, Marichester, MI 35D on 24 prepared by the administrative receivers under Section 40 of the said Act. The meet-ing may, if it thinks it, establish a committee to exercise the functions conformed on crod-tors' committees by or under the Act.

Creditors are only entitled to vote it.

(a) they have defivered to us at the address; shown above, not inter that noon on 2? November 1989, written details of the debts they claim to be due to them from the company, and the claim has been duly admitted under the provisions of Fluie 3.11 of the Insolvency Rules 1980; and

Please note that the original proxy signed by or on behalf of the creditor must be ladged

CYFIL W NIELD No. 006853 of 1989 IN THE HIGH COURT OF JUSTICE **CHANCERY DIVISION** IN THE MATTER OF CITY AND WESTMINSTER

GROUP PLC (formerly A & M Group PLC) IN THE MATTER OF

THE COMPANIES ACT 1985 NOTICE IS HEREBY GIVEN that a Paliti was on the 1st November 1909 presented ther Majesty's High Court of Justice for it confirmation of the reduction of the capital

AND NOTICE IS FURTHER GIVEN that the naid Partition to directed to be heard before the Honourable Mr. Judice Herman at the Royal Courts of Jusice, Strand, London WCCA 2LL on Monday 4th day of December

ANY creditor or shareholder of the said Company destring to oppose the making of an Order for the continuation of the said reduction of capital should appear at the timo of hearing in person or by Coursel for that purpose.

A copy of the said Petition will be furnished to any such person requiring the same by the undermentioned solicitors on payment of

the regulated charge to: the same.

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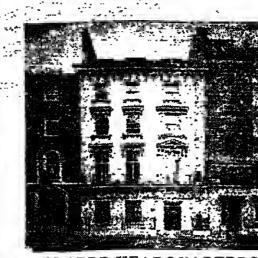
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Notice for Disposal

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Land will be made available by the DDA with defined terms of tendering/auction/collaboration. The applicants are required to give necessary data in

For this purpose it is proposed to professional Hotel Groups with specific background and experi-ence and from parties having collaboration [a tie up]

of Hotel Sites reputed Indian/

[1] The Indian 5-Star Hotoliers having atleast one well-known established 5-Star Hotel/5-Star Delux Hotel.

The Condition of minimum annual turn over of Rs. 25 crores since deleted.

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Indian antrepreneurs who are having arrangement/collaboration with the Hoteliers satisfying conditions stipulated above in [1]

hotels and arrangement of international hotal chains possassing adequate financing the project including foreign exchange atc. Star Delux Hotels. The parties fulfilling any one or more of the following qualifications will be consider—who are found eligible would be allowed to who ere found eligible would be allowed to participate in the final tenders/ auction/collaboration for disposal of the hotel sites.

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In any organised industry end trade, standing in the hotel industry, collaboration with the

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DDA reserves its right to exclude any or all the applications without assigning any reasons whatsoever for the purpose of drawing up the select list of eligible hoteliers.

The Rio-data complete in all respects may be ser to the undersigned (by name) by or before 15th December, 1989 either personelly or through

ored post so as to reach by the due date. (M.G. GUPTA) FINANCE MEMBER DELHI DEVELOPMENT AUTHORITY, VIKAS SADAN, NEW DELHI-110 023

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ARTS



EXHIBITIONS

London

The Barbican. A Golden Age - Art and Society in Hugary 1896-1914: in the light of the curwith Hungary very much in the van, it is salutary to be reminded just how active a participant she was in the European cultural onwealth, in the great age commonweath. In the great age
of art oouveau, Hungarian
applied art and design was second to none.daily until January
14 except December 24 and 25.
Whiteast Posteriat Gallery, Tom National Portrait Gallery. Tom Phillips – The Portrait Works: rnumps — The Portrait Works: a thorough, self-explanatory, painstaking survey of the work of our most painstaking artist, always interesting and some-times lived. Partis and Camera Portraits from the Col-lection 1839-1889 – a necessarily brisk but deligbtful and intrigu-

January 21. National Portrait Gallery. Lewis Morley - Photograph of the Sixties: a study of the work a photographer now all work a photographer how an but forgotten yet anthor of some of the most memorable images of the period, with Christine Kee-ler naked astride her chair the

Musée des Arts Decoratifs. Je suis le Cahier - Picasso's sketch books. After two years of mean-dering the world over, the exhibi-tion ends, aptly, in Paris. The 40 sketchbooks covering a period of 64 years follow closely Picas-so's development. There are cubity next to the fulness of neo-classical figures, there is the almost sugary rendering of the mother and child theme next faces, there are all the facets Tue, Ends Dec 31, Grand Palais, Archaeology in France. The exhibition presents 30 years of discoveries with some tools and ending with finds from the Louvre foundations. A rein-deer skeleton, numerous models of villages and tumuli, a life-size palisade topped with shields and spears, video programmes and explanations of scientific meth-

tere sounding discipline to life. Closed Tre. Late-closingnight Wed. Ends Dec 31 (42895410). The Louvre. Arabesques et Jar-dins de Paradis. The beauty and richness of nature is a leltmotiv which runs through Islamic art from Spain to India, from the 8th to the 18th century 234 exhibits, miniatures and manuscripts, textiles and ceramics show the unifying force of this inspiration which ranges from the decorative tional style of each of the Islamic countries adds a specific colour to nature's interpretation. Closed Tue, ends Jan 15 (40205317). Photography. To mark the 150 years since the birth of photogra-chy the Centre Pompldou speaks of the inventian of an Art, the Musée d'Orsay stresses its modernity (Quai Anatole France), Archives Nationale

recount the genesis of this invention (50, rue des Francs-Bourzeois), h!usée Carnavalet shows Paris daguerreotypes (31, rue des Francs-Bourgeois), while the Centre National de la Photographie uses chronology to teach its history (Palais de Tokyo, 16 ave Président Wilson). Institut du Monde Arabe. Egypt-Egypt. An exhibition of 25 chef-d'oeuvres, including the most and has-reliefs dating from the middle-empire, continues with a golden crown of a high priest f Osiris with some elem of Roman art and Coptic Icons and concludes with Islamic

exhibits. 1, rue des Fosses-Saint-Bernard (closed Mon). Ends Jaa 14 (40513838). The Lorsvie and the Chateaa de Versailles. David, A retrospec-tive consisting of 84 paintings and 165 drawings is held simulta-neously in the Louvre and in the Chateau de Versailles, Louvre closed Tue, Chateau de Ver-sailles closed Mon, both exhibitions end Feb 12.

Europalia Japan 89: Musces Royaux d'Art et d'Ais-toire. Nambam Art explores the Portuguese influence on Japa-oese painting and the Splendour of No Theatre shows props and costumes from the Rokuro Ume-waka Collection. Closed Mon. Enos Dec 17. Centre Culturel Le Botanique Silk Kimooos designed by Itchiku Kubota. Closed Mon. Mnsée d'Exelles, Shunga – Images du Printemps, Erotic Japanese etchings, Ends Dec 3, Closed

Musées Royaux des Beaux-Arts, Seventeenth century flower paintings; a selection from the museum's collection of Flemisb and Dutch masters. Closed Monday; ends Feb.

Fundacion Juan March. Retro-spective of Edward Hopper opens the autumn season at the foundarealist covering a period of 56 years. Until Jan 4.

Caixa de Barcelona. Raoul Dufy. Works by the French fauvist well known for his lively use of colour and interest in variedforms of the first time. The exhibit includes paintings, watercolours, drawings, ceramics and fabric design, belonging to private collections and museums, Ends 15

Manover

Sprengel Museum, Kurt Schiwtt-ers-Platz, Der blaue Relter (The Blue Horse), this museum is disnlaying around 61 pieces from its own collections as well as some additional paintings on loan from East Germany and by other artists who belonged to the same Munich-based group. Works by Wassily Kandinsky, Alexei von Jawlensky. Gabriele Münter and Marianne von We fekin can be viewed until Feh

Cologne

Museum Ludwig, Bischofsgarten-strasse 1. The most comprehen-siveretrospective on Andy War-hol, who died in 1987, with hol, who died in 1957, with around 160pieces from New York. They can be seen only in Cologne until Feb 11. The retrospective includes works from the 1940s and 1950s as well as his famous portraits of Elvis Presley, Mari-lyn Monroe, Warren Beatty, and paintings based on advertise-

Museum for Applied Arts is host-ing a large exhibition devoted to the works of Carlo Scarpa. the Italian artist and architect. The theme is focusing on "The Other City". Until Jan 15. Mascom for History, An exhibi-tion of paintings by Arnulf Rai-ner, deemed to be one of Austria's most successful post-war artists, and who recently had an exhibition in New York, Ends

Spanish Academy, Salvador Dali: Sculptor and Painter, Supreme genius, or merely "Avidadollars" as his unkind Catalannickname implies? This exhibition convinces one that genius he cer-tainly was but that his inventive and sophisticated talent became irretrievably warped from the 1970s on, when he became cruel and tiresome in his desire to and tresome in his desire to shock. Also on show are many of Dali's best known sculptures from the 1930s. Ends Dec 3. Palazzo Venezia. Iriarte: ancient and modern in the IRI collection. The state holding group is show-ing for the first time some of its fine collection of sculoture. paintings and tapestries dating from the classical Roman period up to the present day, normally split among the headquarters of the various companies. Ends

New York

Metropolitan Museum. A dec of fabulous shows borrowed from around the world culminate in the present exhibit of the major works of Velazquez, much of which is borrowed from the Prado in Madrid. Ends Jan 7. Whitney Museum at Philip Mor-ris. This exhibit of Isamn Nogu-chi's sculpture portraits justifies the proliferating yest-norbst selthe proliferating vest-pocket gal-leries that have come to replace building lobbies in the 1980s: 23 pieces that mark a departure for the abstract sculptor, though rather abstract for the genre.
Ends Dec 6. 42nd & Park.
National Academy of Design.
More than 160 objects from the
Fitzwilliam Museum in Camhridge are making their way round America, giving a sam pling of objects and paintings, among them works by Titian, Peter Paul Rubens and Renoir,

under the theme of the increa of learning and other great objects. Ends Jan 28. Metropolian Museum of Art. A major exhibit of the works of Canaletto brings alive scenes of Italy in its secular glory. Though many are familiar, the exhibit makes the artist's vision a breathtaking canorama with touching attention to detail.

Ends Jan 21 Museum of Modern Art. Covering only eight years, from 1907 to 1914. Picasso and Braque: Pioneering Cubism consists of more than 350 works of the two artists during their fruitful collaboration before Braque left for war. Ends Jan 16.

Hirshhorn Museum. The first retrespective in America in a quarter century celebrates Francis Bacon's 80th birthday with a comprehensive review of his prolific career. The three-city US tour begins here with 60 works, a surprisingly large num contemporary art. Ends Dec 7. National Gallery. A major inter-national collaboration showing than 60 paintings; next year It travels to the Royal Acade in London and the Frans Hals museum in Holland, Ends Dec

Tokyn Metropolitan Museum, Ueno, Masterpieces from the Museum of Fine Arts, Lyon. The works range in period from Clas-sicism to Early Modernism. Ingres to Picasso. Closed Mon-

National Museum, Art of the Muromachi Period (1324-1537), Major exhibition featuring some 400 works from the period when the shoguns had consolidated their power, bringing a period of relative peace and prosperity with a resultant flowering of the arts, much of it influenced by Zen Buddhism, such as ink painting, garden design and the tea ceremony. Closed Mondays.

THEATRE

London

A Life in the Theatre (Haymarket). Slight but enjoyable DavidMamet early play able Davidmanet early may anglicised to reflect the last days of weekly rep and notable for the return to the stage of a silk-ily accomplished technician, Den-holm Elliott (930 9832) Ends Dec

Jeffrey Bernard Is Unwell (Apollo). Brilliant performance hy Peter O'Toole as an alcoholic journalist who embodies a Falstaffian, nay saying life force while committing public suicide by vodka. Kelth Waterbouse has stitched a fine play, the season's highlight, from Bernard's own writing, Ned Sherrin directs (437

2663).
Another Time (Wyndham's).
New Ronald Harwood play,
directed by Elljah Moshinsky,
about a white South African famlly in Cape Town and Maida
Vale. Albert Finney plays father
and concert planist son across and concert planist son across and concern plants on activa-S5 years, suggesting that talent is a means of escape and a rea-son for not going back. Janet Suzman and Sara Kestelman are electrifying in support (867

M. Butterfly (Shaftesbury). Peter Egan has laken over from Anthony Hopkins as the tortured diplomatic hero in a Peter Shaf-fer-style "spectacle of ideas" dressed up in John Dexter's

The Bach Choir and English

Chamber Orchestra conducted by Sir David Willcocks. Bach's

val Hall (Satı (929 8900). London Symphony Orchestra

Elgar, Britten. Barbican Hail (Sun) (638 8891).

The London Philharmonic con-

ducted by Sir Georg Solti, Shosta kovich, Tchaikovsky, Royal Fes-tival Hall (Tues) (928 8800).

Vienna Philharmonic Orchestra conducted by Andre Previn.

Haydn, Strauss, Dvorak. Royal Festival Hall (Thur) (928 8800).

Quatuor Sak, Schumann, Gag-neux, Dvorak (Mon), Salle Gav-

by Carla-Maria Tarditi with the-Colonne Orchestra's choir, Arley Reece, soloist. Berlioz. Roussel,

(45638873). Dimitri Bashkirov, piano. Schub

ert, Liszt, Brahms (Tue), SalleGa-veau (45632030).

Orchestre de Paris conducted

by Keot Nagano, with Nobuko Imal, Debussy, Takemitsu, Bar-

tok (Wed, Thur). Salle Pleyel

eau (45632030). Orchestre Colonne conducted

Franck (Mon), Salle Pleyel

Christmas Oratorio, Royal Festi

conducted by Richard Hickox, with London Symphony Chorus and soloists, Vaughan Williams,

MUSIC

London

superb production as a metaphor of homosexual life. The transvestite tragedy proves less electrifying than in New York; the play is not very good but still worth seeing (379 5399).

Aspects of Love (Prince of Wales). Andrew Lloyd Webber's latest is an intimate chamb operetta derived from David Garnett's 1965 novella. Musically interesting and well directed by Trevor Nunn, a cast of unknowns project the right sense of sybaritic insouciance. A probable, but unspectacular, hit (839

Heldi Chronicles (Plymouth). Wendy Wasserstein's award-winning drama covering 20 years in the life of a successful American baby boomer goes from sup-port for Eugene McCarthy's pres-idential aspirations to electoral ambitions in the 1980s, accompanied by the musical and errotional flavour of the period (239

Sweeney Todd (Circle in the Square). An intimate production in contrast with the elaborate original a decade ago emphasis the descent into madness of Boh of Fleet Street (239 6200). tions makes a transatlantic hit of this farce, first produced in

the notion of a three hours of film trailer previews will adore this compendium of Robbins' directed and choreographed

of the Sondneim-Wheeler musica Lend Me a Tenor (Royale). A sprucing np in the set of a decay-ing town's big time opera ambi-

Royal Concertgebouw Orchestra conducted by Carlo Maria Glu-

lini. Brahms, Ravel, Concertge bouw (Fri, Sun) (718 345).

Amadeus Piano Trio: Norberi

London, but now with a local cast led by Philip Bosco and Vic-tor Garber (239 6200), Jerome Robbins' Broadway (Imperial). Anyone attracted by

plays of the past 40 years, includ-ing On the Town, West Side Story and Cypsy. The lustre of the credits is dimmed by the brevity of each piece, with a con-temporary crew of Broadway aspirants who lack the multi-talents that inspired the beyday of the musical.

Cats (Winter Garden). Still a sell-out, Trevor Numa's produc-tion of T.S. Eliot's children's poetry set to music is visually startling and choreographically starting and endreugraphically feline (239 6252). A Chorus Line (Shubert). The longest-running musical in the US has not only supported

Joseph Papp's Public Theater for eight years but also updated the musical genre with its backstage story in which the son are used as cuditions rather than emotions (239 6200). Les Misérables (Broadway). The magnificent spectacle of Victor Hugo's majestic sweep of history and pethos brings to Broadway leasons in pageantry and drama (239 6290). Me and My Girl (Marquis). Even

if the plot turns on ironic mim-icry of Pygmalion, this is no clas-sic, with forgettable songs and dated leadenness in a stage full

of characters. (947 0033). M. Butterfly (Eugene O'Neill). The surprise Tony winner for 1988 is a somewhat pretentious and obvious meditation on the true story of the French dipiomat whose long-time mistress was a male Chinese spy (246 0220).

Steel Magnolias (Royal George). Ann Francis and Marcia Rodd play the leads in this view of southern life from under the dryers in a busy hairdressing estab-lishment (988 9000). A Christmas Carol (Goodman). For the 12th year, the Goodman company does its holklay thing, with William J. Norris as Scrooge for the 11th year.

Kokunsenya Gassen. New play written and directed by Hideka written and directed by Hidelu Noda, loosely based on a famous purpet play by Chikamatsu. An exuberaot comic-strip travesty of Jopanese myth and history, with brilliant Pop Art sets and lots of colour and movement Ginza Saison Theatre (5478 0771). The Rose of Versailies. A must for connoisseurs of kitsch. The allign! Takarazuka Ravue celebrates its 75th birthday by reviung its famous romantic musical set in 18th century France. A plot summary in English is printed in the theatre programme. Takarazuka Theatre (201 7777).

Wiener Philhermonker con-

Madrid

Brainin, (violin), Martin Lovett, (cello) and Arnaldo Cohen, (piano). Mozart, Beethoven and Brahms (Wed) (76001755). Conser-Dresden Philharmonic Orchestra

Michael's Reise: Chamber ver-

sion of Second Act of Karlheinz Stockhausen's opera Donnerstag aus Licht, conducted by the com-poser (Wed). Teatro Olimpico

Frankfurt

Southwest Radio Orchestra con-ducted by Michael Gielen with planist Martha Argerich. Mahler, Ravel and Schoenberg (Sun). Alte Oper.
Frankfurt Radin Orchestra conducted by Raymond Leppard.
Britten, Schumann and Sibelius (Thur). Alte Oper.

The Beaux-Arts Trio and the Orchestra under Rico Saccani Beethoven, Rimsky-Korasakov (Sun). Philharmonie,

Wiener Philharmoniker con-ducted by Horst Stein. Brahms, Richard Strauss, Musikverein

ducted by Andre Previn. Haydn, Richard Strauss. Musikverein

conducted by Jorg-Peter Weigle. Beethoven programme (Fri), with the Choir of the Slovakian Philharmonic. Beethoven (Sun). Auditorio Nacional de Musica (337 01 00). Die Deutschen Bach-Vocalisten

and the Collegium Aureum, con-ducted by Gerhard Weinberger. Bach (Thur). Auditorio Nacional

Oratorio. El pesscère by Pan Cas-als, based on a poem by J. Ala-vedra is one of a series of con-certs celebrating Catalonia's 1000th anniversary. Cast is led by Montserrat Caballe, with Josep Collado conducting the Licen's orchestra. Gran Teatre del Liceo (318 91 22).

New York

New York Philharmonic, conducted by Zubin Mehta, with Fiona Simon, Yoko Takeva, Charles Rex (violins) and Warren Deck (tuba). Vivaldi, Nielsen, Kellaway, Sibelius (Tues); and conducted by Giuseppe Sinopoli,

with Bruno Ceerchio. Ravel, Mussorgsky Ravel (Thur). Avery Fisher Half (874 6770). Telim Brunfman plano recital. Haydn, Brahms, Stravinsky (Tues). Carnegie Hall (247 7000). Shanghal Quartet. Haydn, Shoa-takovich, Beethoven (Thur). Alice Tully Hall Lincoin Center (274 271)

Washington

Academy of St Martins in the Fields conducted by Str Neville Marriner. Berlioz, R. Strauss. Copland, Schumann (Wed). Ken-nedy Center Concert Hall (467

4600).

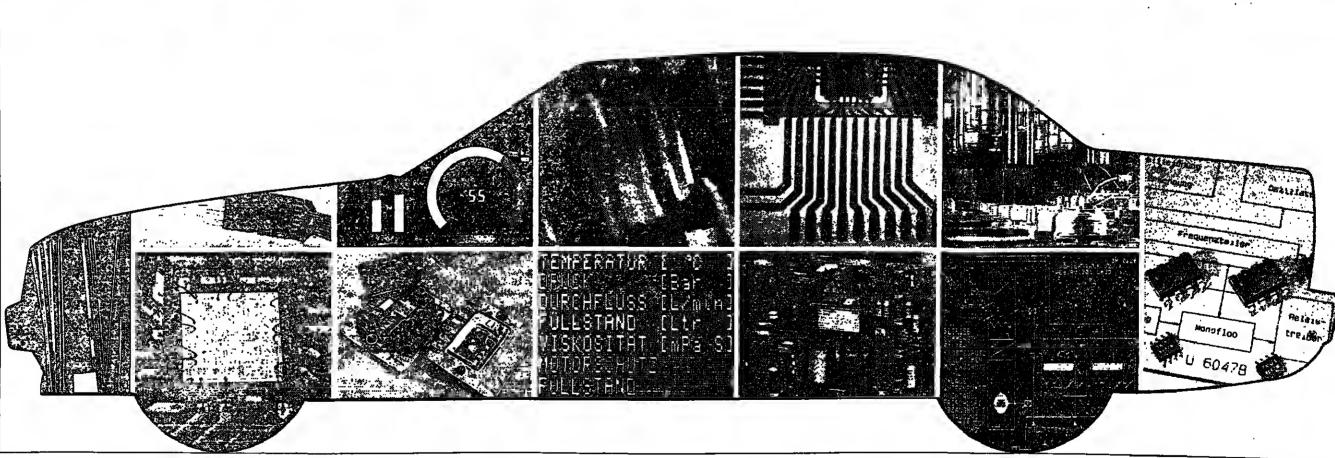
National Symphony Orchestra
conducted by Gary Bertini with
Rudolf Bucbbinder (piano). Beethoven, Bertioz (Thur). Kennedy
Carte Vivil 4600.

Chicago

Chicago Symphony Orchestra conducted by Neemo Jarvi, Part. Scriabin, Mussorgsky (Tue); and conducted by Gennady Rozhdestvensky. Shostakovich pro-gramme (Thur), Orchestra Hall (435 6666).

Prague Symphony Orchestra conducted by Jiri Belohlavek. Schubert, Suntory Hall (Mon. Tues) (561 5012, 234 7287). Traditional Japanese Music. Sha-kuhachi (bamboo flute) solos. ABC Hall, Shiba Koen (Thur) (436 (1430).

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Canaletto goes West

Giles Waterfield reviews the exhibition at the Metropolitan Museum of Art, New York

much less well known elsewhere. Up to this decade, only one of his paintings could be seen in his native city, his work is little represented in Continental museums; and the same applied in the US. In recent years American muserecent years American muse-ums have taken an increasing interest in acquiring his work – the Metropolitan bought an important painting in 1988 – but Canaletto remains less known in the US than he deserves to be.

One of the principal aims of the major exhibition of 85 paintings and 42 drawings at the Metropolitan Museum from November 2, 1989 to January 21, 1990 is to mend this situation and to introduce an artist who has long exerted such a powerful appeal in the British lales to a larger audience in

This is intended as a compre-hensive exhibition, broader in scope than the memorable scope than the memorable shows at the Queen's Gallery in 1980-81 and at the Fondazione Giorgio Cini in 1982. It has been organised by J.G. Links, the foremost authority on the artist, and Katharine Baetjer, of the Metropolitan, who have collaborated on the catalogue. The vital and generous loans from the Royal Collection are supplemented hy numerous paintings lent from the British houses, notably Chatsworth, Goodwood, Holkham and Woburn, in which ham and Woburn, in which they have bung since the 18th-

Paintings which will be unfa-miliar to a British audience include three outstanding early views of Venice, acquired by the Elector of Saxony in the middle of the 18th-century. "S. Cristoforo, S. Michele and Murano" from the Dallas Museum of Art is the original of a work

Instantly racognised in the Royal Collection that almost Romantic spirit, images in England, Canabas for some time been enhanced by the sketchy free-letto's paintings are regarded as a secondary verdom of his early paintwork sion; the original was only recently rediscovered. One or two loans are disappointing – not all the pictures shown here from American collections, for example, reach the highest standard, and the works from Woburn give little impression of the spiendour of the Dining Room — but the general impression is spectacular.

The visual effect is enhanced by the hold colour schemes

by the bold colour schemes chosen by the Museum: a strong terracotta derived from a piece of plaster removed from the wall of a house in Venice, alternates with a putty colour. alternates with a putty colour. The exhibition is arranged chronologically and according to patron, a suitable approach for an artist the character of whose work was determined by the patronage available. One of the advantages of this approach is that it emphasises the conservatism of Canaletto's depictions of Venice for the British aristocratic market compared with the stormy British aristocratic market compared with the stormy mood of paintings executed for other buyers, such as the four paintings done for the Prince of Liechtenstein early in the 1720s. These reveal a sombre reflective painter: the view of the Grand Canal now in the Ca' Rezzonico depicts a far from happy city, the muted sunlight of one side of the Canal contrasted with the over-shadowed houses on the over-shadowed houses on the other bank, the blue of the sky threatened by the freely-

painted brown storm clouds which cast a gloomy light over the patched-up palaces.

This dark mood reappears in the painting of "Sta. Maria della Caritz" (now part of the Accademia), in a private collection and in the Grand Canal. tion, and in the Grand Canal paintings from the Ferens Art Gallery, Hull, also of the 1720s. These pictures convey an

inspired them both.

which seems to have inspired Francesco Guardi. It is a spirit that is not to be found in his middle period, when even the majestic portrayals of Roman buildings (now in the Royal Collection and, if anything, under-represented in the exhihition) have a sunny and mat-

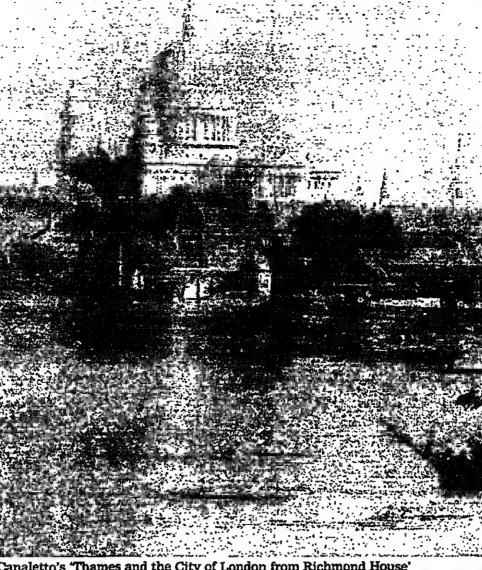
ter-of-fact quality.
The exhibition fails, however, to address the question of how the artist's earliest works developed. In his introduction, Links remarks that in his early years Canaletto painted capric-cios in the style of the Ricci and that various works have been attributed to him, but that no attributions are firm and so little opportunity has existed to study these pictures, which are all privately owned and are not included in the exhibition. This is surely a pity: exhibitions of this sort uniquely offer the opportunity to reasses an artist's work and to decide whether his canon

to decide whether his canon should be extended.

There is little else to regret here. Lendars have been extremely generous: familiar paintings such as the views of Warwick Castle are contrasted with less known works auch as the beld mornlit view of a the bold, moonlit view of a "Night Festival at S. Pietro di Castello" (Berlin). Rare opportunities emerge auch as tha reunification for the first time, of the apprint content plates. of the surviving copper-plates executed for the entrepreneur Owen McSwiney, in 1727, in which the artist produced the smiling views of Venice that were to secure him so faithful

were to secure him so tairirul
a public in England.

The views of British subjects, an especially fine selection, reveal again his versatility and his ability to respond to
new environments: the Goodmed versatility "Whitehell codwood painting "Whitehall and the Privy Garden" dazzles with



Canaletto's 'Thames and the City of London from Richmond House'

lta humorous and minute depiction of the untidiness and informality of the centre of power in Britain in the 1740s. The range of drawings is particularly stimulating, illustrating the range of Cansletto's achievement from dry diagrammatic sketches, made for purposes of information, to

finished ink and wash drawings which look forward to the

provenances are not given; and a section of frames and the artist's attitude to them would have been interesting. The exhibition, which

deserves a journey to New York, is sponsored, appropriately enough, by Lonis Vuitton, makers of travel

The Triumph of Love

LYRIC STUDIO, HAMMERSMITH

Voltaire accused Mariyaux of weighing butterfly's eggs in scales of cobweb. After two interval-less hours of the exquisitely honed probing of amorous awareness, the exchange of attenuated sensi-

bilities, I reach, like an insec-tile Goering, for my flit gen. At his best Mariyaux tonches the nerve of sexual conscience, portrays freedom as a dangerous challenge, charts emotional quicksands. But the Actors Touring Company, in Ceri Sherlock's decent, thought-out and sporadically stylish production, reveals this heartless little comedy as arid and inhuman.

The ruling Princess goes in search of the rightful ruler, son of the man her father deposed. The youth has been reared in the forest by a reclusive philos-opher and his sister. Like Ros-alind, the Princess assumes male disgulse. Unlike Rosalind, being au fond French, she uses sex like anything, woos the spinster sister as a man and infatuates the sage as a

The most touching scene comes when the ascetic sib-lings shyly and in breathless delight confide to each other that there might be some point in sociability and human relationships after all, unaware that the same person has

Maria Stuarda

After the British première of Maria Stuarda, in 1971, I described the opera in Stuarda, in 1971, I described the opera in these pages as one of Donizetti'a strongest and most gripping. Others evidently agreed, and Stuarda soon vied with Anna Bolena as the Donizetti tragedy, after Lucia, most often performed. Beverly Sills sang it in New York, Janet Baker sang it in London, Caballe sang it in seven cities and Sutherland in eleven. There were many occasions to reconsider that first excited response. I decided I had been too enthusiastic, and that only the final scenes The Princess also conquers the innocent youth. They sit and compare their feelings without touching they may be French but they are also products of the Ealightenment. Misunderstandings and presumably heartbreak ends in enthusiastic, and that only the final scenes sustained Donizetti's highest level – doing so, however, with an intensity that made one forget the less exalted music the 18th century equivalent of a declaration of "tough luck."

One tires of the exhaustingly earlier.

Maria Stuarda has now become the first manipulative Princess not car-ing who she hurts after about an hour — ironically, since Donizetti opera to be accorded a "critical edition," and recently had its première in Bergamo, the composer's birthplace. Since by Beatrice Comins, an actress with a touch of the young 1968, Bergamo has presented a Donizetti opera annually (Parisina, Sancia di Castiglio, Il diluvio universale, and Fausta among them) and since 1984 has been pres-Francesca Annie to her. With Chloe Annett an equally well-judged maid and Diana Berrienting two, three, or four in an autumn Donizetti Festival. Stuarda inaugurated a ten-year plan, drawn up by the Bergame Comune and Ricordi, for five critical-ediman's sweet and moving spin-ster, the distaff side is remarkably strong. Jonathan Nefydd's Arlequin mops and mows, prances and ogles, in a bad old version of commedia archness; David Hobbs' savant is a dull tion productions. It was a good work to start with: the texts of Dom Sebastien and La Favorite may be in a worse muddle, but that of Stuarda needed clarification. stick, Stephen Mapes' prince-ling shows promise.

Donizetti composed the opera for Naples, in 1834. It reached dress rehearsal Lez Brotherston's set com-bines tha archaic with the and was then banned by royal decree. Surprising that it got even that far: Ferdinand Il and Maria Cristina, both descended from modern (pillars topped with plant-pots plus angle-poise lamps) and the suggestion of museum showcases in a way that recalls the immortal Mary Stuart, could hardly be expected to enjoy watching an onstage ancestor call another monarch "obscene harlot" and "tainted bastard," and later confess to complicity in her second husband's mur-English National Opera Xerxes. der. The opera was revamped as Buondet-monte, set in medieval Florence; Donizetti Martin Hoyle

composed new choruses and a new duet for the Elizabeth and Leicester counter-

parts.
The next year be revised Maria Stuarda The next year be revised Maria Sturria for La Scala and Malibran, amplifying it with an overture and the Buondelmonte duet. Later he advised dropping the "intrusive, ineffective" duet. in 1865, Naples produced Stuarda at last, in a posthumous amalgam of earlier versions and with heavier orchestration. Modern attempts to recover the original have been hampered by lack of autograph, which was presumed lost.

In fact, it passed through Sotheby's in 1924 and - available to but overlooked by scholars - reached the Poundation for the Furtherment of Musical Culture, in Stockbolm. The present curator, Anders Wik-lund, working with Roger Barker and Gabriele Dotto, has prepared the new Ricordi edition. Different music (but familiar from La Favorite) opens and closes the first act. The scoring is lighter and brighter. The biggest change is the restoration of the original two-act structure. Act I now sweeps from Elizabeth scenes to Mary scenes to its climax in the famous confrontation of the two queens. The opera becomes stronger and more shapely. It would have been even more so in Bergamo had the "intrusive" duet been dropped.

I arrived in Bergamo to find on the portals of the Teatro Donizetti an announcement that the prima had been postponed. And the hilled Mary and Elizabeth, Maria Chiara and Martine Dupoy, had both pulled out. But in place of the prima there was the prova generale given as a full performance, to a full house
- and I was invited to attend. Fernanda Costa was an accomplished young heroine; clean, steady, and fluent, abla to float deli-cate, gently notes if readier to maintain

forte. She did not strain. But the Berga-mask scholars should have squelched the whistling and unstylish added ocuti up to high D, which she spoiled the end of each

Maria Luisa Nave, the Elizabeth, singing Maria Luisa Nave, the Elizabeth, singing through pharyngitls, paced herself carefully and had considerable presence. Pietro Ballo, the Leicester, simply sang — not badly, but with little regard for others onstage, the drama, or the beat. Aldo Ceccato conducted tha RAI Milan Orchestra with verve. Giovanni Agostinucci's scene were handsome, with richly detailed Elizabethan costumes (by Andrea Viciti) in black warled by Andrea Viotti) in black, varied by dovegrey for the Fotheringny hunt and hy the red of Elizabeth's wig, a hanging in her chambers, and Mary's shift at the

Gabriele Lavia's production was a compound of wall-judged, musically sensitive formality and sillnesses. Bardari, the 17-year-old librettist of Stuarda, asked his heroine to enter "running;" he evidently wanted to show her impetuous nature from the start. During the prelude to the entrance aria, Miss Costa, hitching up ber ample farthingale, trotted hriskly across the stage from wing to wing, thrice with ludicrous effect. Bot she flung the "vil bastarda" passage at her rival with royal, noble passion (for once it lived up to its reputation), and in the great sequence of confession duet, preghiera (Mary's voice radiant above the chorus) and aria-finale she was moving. Donizetti's music takes on a transfigured, spiritual quality. Perhaps one day a Scuarda producer will have the senae not to add chippy-chippy-chop to the final bar.

Andrew Porter

The series devoted to Haydn's

Haydn series

stages. As it has progressed, there has been no falling off in delight at the fecund imagination that the composer lavished on these products of his later years, though the concert on Tuesday was alower to find the same hubbling enthusiasm for it that had distinguished the opening events in the

The first half of this pro-

gramme found the Orchestra of the Age of Enlightenment under Sigiswald Kuijken at less than its concentrated best. Haydn's "London" Symphony, No 104 in D, made an indeclsive start and only came to life in the last two movements, which at the speed Kuijken took them it could hardly fail to do. This was the first time in a concert that I bave heard a classical minuet race along at the sort of pace proposed as authentic by some academics. The other two pieces in the concert were both choral. The evening had hegun with a short and little-known work entitled *The Storm*, a setting of poem by Peter Pindar. At its performance in Hanover Square in 1792 the piece

delighted its audience with its imitation of a hurricane and

the calm after the storm; but to listeners today it is more likely to seem a tentative trial run for the brilliant nature scenepainting of the late oratories.

For the Hormoniemesse of 1802, however, no apologics have to be made. Although this has never been one of the most popular among the composer's popular among the composer's masses, it has its fair share of Haydn surprises. from the folk-like yodel of the "Hosanna" to an "Et resurrexit" that proclaims its joyous news remarkably in a minor key. By this point the style of the music-making had also sharpened noticeably, with Kuijken obtaining some keen singing from the Choir of the Enlightenment.

The solo quartet included Nancy Argenta (a lovely pure line in the "Domine Dcus"), Eirian James, Wynford Evans and Peter Rose, the imposing hass, who operated on quite another vocal scale from his colleagues. They and the chorus made a delightful effect in the "Benedictus:" could this movement, a scampering and jocular piece of fun, possioly belong in a religious work by any composer but Haydn?

Richard Fairman

Purcell & Blow

ST JOHN'S SMITH SQUARE & RADIO 3

Wednesday was St Cecilia's Day. The New London Consort - director Philip Pickett, solo-ists Catherine Bott, Tessa Bon-

ner, Christopher Rohson,
ner, Christopher Rohson,
Andrew King, and Michael
George – chose three celebratory odes hy Purrell (in the first
half) and one hy John Blow (in
the second) in which to frame
praises of music's patron saint.
The Purcell selection did not
include the most famous of his The Purcell selection did not include the most famous of his Cecilian odes, "Hail, hright Cecilia;" hnt on a less splendid and eralted level the choice of the earlier "Welcome to all the pleasures" (in spite of Fishburn's horribly banal verses), the Latin "Laudate Ceciliam," and "Raise, raise the voice" and "Raise, raise the voice" must still have provided plea-

sure for every ear. Purcellians are well-versed in those heartlifting moments when inspired word-setting, immediately bummable immediately bummable melodic statement, and perfectly apt union of vocal and instrumental timbre combine. All three works, simple in form and modest in outlay of forces, were full of such moments—the final stanza of "Welcome all tha pleasures," as the prevailing minor key gives way to

the major and the rhythms take on an infectious hounce, offered perhaps the happiesi example

All the same, the concert was a good deal less exhilarat-ing than it ought to have been. Mr Pickett and his single-string-plus-continuo forces seemed on this occasion to be authenticists of the most pursed-lip kind, There was little vitality in attacking cross-accents, little sense of colour - and definitely none of the inspired holdness of dramatic projection that this of all composers in the English language requires. (The difference between his genius and the honourable talent exemplified. at rather too great a length, in Blow's "The glorious day is come" was hard to Ignore.)

Of the singers only the tenor, Andrew King and, to a lesser extent the alto, Christopher Rohson (in somewhat uneven voice), made anything distinct and vivid of the words. Everything cried out for more joy, mora elation, and less Puritan good taste.

Max Loppert

Sir John Soane Museum hits the jackpot

The Sir John Soane Museum, tucked away in Lincoln's Inn Fields in London, and as quirky as its founder, the 18th century architect Sir John Soane, has hit the Jackpot. Earlier this wear it launched lier this year it launched a \$2.5m appeal to shore up its deteriorating fabric and to restore its interiors to the orig-inal plan of Soane, who designed and lived in the

Yesterday it announced that it had secured £2m, thanks to a fin donation, over five years, from the property developers MEPC, which has heen matched by the Government, through Mr Richard Luce's

SALEROOM

Office of Arts and Libraries. The roofs will receive attention first, followed by the façade. The Scane is still seeking cash to ensure that its interiors, with Sir John's eclectic collection of antiquities, paintings by Hogarth, weapons, architectural casts and drawings, etc, can be improved to an equivalent standard.

Richard Luce bas long expressed concern about the condition of London's muse-ums. One has now been fixed, probably because It is among the smallest and needed a relatively modest sum.

Antony Thorncroft

ARTS GUIDE

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FINANCIAL TIMES

OPERA AND BALLET

Royal Opera, Covent Garden.

Royal Opera, Covent Garden.
The Royal Opera tries again with Riomeneo. This time its new production is entrusted to Johanness Schaaf, the conductor is Jeffrey Tate. Philip Langridge takes the title role, and Ann Murray, Sylvia McNatr, Elizabeth Conneil and Robert Tear complete the strong team of principals. Further performances of Rigoletto, in the Nuris Espert production conducted by Sian Edwards, with Judith Howarth (Gilda) and David Rendall (the Duke), and Brent Ellis in the title role.
Enyal Ballet, at Covent Garden, Brent Ellis in the title role.

Royal Ballet, at Covent Garden, is seen in two performances of Swan Lake on Saturday and in a triple bill on Wednesday. At Sadler's Wells, London Contemporary Dance Theatre continues a season, with interesting repertory.

a season, with interesting repertory.
English National Operz, Coliseum. The triumphant new
David Freeman production of
Montevend's The Return of
Ulysses is conducted by Paul
Daniel, with Anthony Rolfe Johnson (giving the great performance of his career), Jean Rigby,
Sally Burgess and Laurence Dale
leading an outstandingly fine
ensemble of singer-actors. Further performances of the
Madamu Butterfly revival, which
brings back Janice Cairns to the
title role and harroduces to Lontitle role and introduces to Lon-don the American conductor

Opéra. A Balanchine - Robbins

and Stravinsky is performed by the Paris Opéra sters and ballet corps accompanied by the Paris Opéra Orchestra conducted by Michel Tabachnik (47425371).

Vienna

Staatsoper. Smetana's Die verloudie Brout is conducted by
Lenard Jahn, with a cast including Joanna Borowska and Alfred
Sramek; Le Nozze di Figaro is
conducted by Peter Schneider,
and the cast includes Lucia Popp
and Peter Wimberger, Boris
Gudonoo, conducted by Woidemar Nelsson, is sung by Rennveig Braga, Franz Kasamann
and Heinz Holecek; Donizetti's
Maria Shuarda is conducted by Maria Stuarda is conducted by Maria Stuarda is conducted by lon Marin with a cast including Agnes Baitsa, Maria Zampieri and Alexander Maly.
Volksoper. The week's performances comprise Die Zauberflöte, Eine Nacht in Venedig, Don Giocanni, Die Fledermaus, Kiss me Kate, Cosi fan Tutte and Der Ziaumeshopme.

Opera. Aida in Götz Friedrich's production features Bruna Baglioni, Wilhelmina Fernandez, Michael Spivester and Ingvar Wixell. Don Giovanni has a new cast led by David Hampson making his debut in the title role, Daniela Bechley, Julia Varady/ Pilar Lorengar and Manfred Roehrl. Fidelio in Jean-Pierre

Opera. Hommage a Jose Limon

with three ballets The Unsung, The Exiles, The Moor's Persons. Tosce has a particularly strong cast led by Leona Mitchell, Giacomo Aragall, Ingwar Wikell, with conductor Leonard Sistein. Tristen und Isolde has Gabriele Schnaut and Wolfgans Faseler excellent as leads. Also offered Zor and Zimmermann and Eugen Onegin.

Opera. The successful Marco Arturo Marelli Modame Butter-flyproduction returns with Yoko Watenaba brilliant in the title role, Chieko Shiresaka, Lardo Bartolini, Richard Cowan and James Wood. Der Nussknacker has wonderful Youri Vamos cho-reportably. Frankfurt

Tchaikovsky's Die Jungfrau von Orieans, produced by Harry Kup-fer features Waltraud Meier,

Opera. The first ballet premiere with choreography hy William Fursythe, Susan Marshall and Amanda Miller. Rusalka returns with Clarry Bartha in the title role, Gall Gilmore, June Card and Allan Glassman. Il Burblere

di Shiglia rounds off the week. Opera. The very successful Ring cycle production by Nicolaus Lebnhoff returns with Cotterdimmerung and stars Hildegard Behrens, Lisbeth Balslev, Wal-Robert: Frieds in Seal-rector Ponnelle's production will be conducted by Heinrich Hollreiser with Sahine Haas, Carol Malone, George Gray and Viktor von traut Meier, Rene Kollo and
Matti Salminen. La Bohème is
sung by Gabriele Benackova-Cap
Julia Conwell, Wolfgang Brendel
and Francesco Ellero-d'Artegna.

Julia Conwell, Alejandro Rami-rez, John Broecheler and Theo Barcelona Gran Testre del Lices. Adrigno

Lecouveur, co-produced by the Testro Alla Scala and Testro Comunale, features Mirella Freni and Placido Domingo, Roman Gandolfi conducts (318 91 22). Teatro dell'Opera. Ruggiero Rai-mondi sings the title rolein a new production of Verdi's Fal-staff by Beni Montresor,con-ducted by Evelino Pido (Tues)

(46.17.55).

Teatro Comunale. Ermanno Olmi's production of Janacek's Katja Kabanova sung in Czech with Italian subtitles and conducted by Christian Thielemann. Ashley Putman sings the title role, and the cast includes Stelka Mineva, Dimiter Petkov, Jan Blinkov and Barry Busse (Tues, Thur) (2779236). Thur) (2779236).

Teatro Regio. Verdi's Rigoletto conducted hy Maurizio Arena

with Luciana Serra, John Rawn-sley and Rita Susovsky (Sun, Thur) (8815241). Testro Comunale. Season opens with Werner Herzog's production of Verdi's Giovanna d'Arco, with an excellent cast: Susan Dunn as Joan, Renato Bruson as Gia-

come, and Vincenzo la Scola as Charles VII, conducted by Riccardo Chailly. (Sun, Wed)

November 24-30

New York Metropolitan Opera. Les Contes

Metropolitan Opera. Les Contes d'Hoffmann continues, conducted by Sylvain Cambrelling in Otto Schenk's production with Ruth Welting, Judith Blegen and Luis Lima. Johanna Meier as the Empress and Janis Martin as the Dyer's Wife join the cast of Die Frau ohne Schatten in Nathaniet Merrill's production, cooducted by Christof Perick. Leona Mitchell takes the title role in Aida with Dolora Zatick as Amneris and Sherrill Milnes as Amonasro in Sonja Frisell's production conducted hy Christian Badea. Lincoin Center Opera House (362 6000). House (362 6000).

New York City Ballet. Mixed performances including Square Dance and Vienna Walters continue before the start on Thurs-

day of a month of The Nut-cracker. New York State Theatre, Lincoln Center (870 5570). Joffrey Ballet. The Joffrey's version of *The Nutcracker* plays for a week at City Center. 55th east of Seventh Av. Ends Dec 2 (58)

Chicago

Lyric Opera. Frederica von Stade sings Rosina with Frank Lopardo as Count Almaviva and Thomas Allen as Figaro in Roberto De Simon's production of The Bar-ber of Scrille, conducted by Ales-sandro Pinzauti. Kirl Te Kanawa continues as Elisabeth, Tatiana Troyanos is Eboli and Samuel Ramey is Philip II in Sonja Fri-sell's production of *Don Carlo*, conducted by James Conlon. Lyric Opera (332 2244).

Stamp market still low

The stamp market has recovered some of its health after the deep depression of the early 1980s, hot not enough to enable Christie's to achieve its hoped for world philatelic record at Zurich on Wednesday night it was offering a Mauri-tius envelope bearing not one, but two of the finest known examples of the red coloured Mauritius Post Office one penny stamp of 1850. Christie's (Rohson Lowe)

was hoping for over Swfr 3m, or in excess of £1m, for the item, but the bidding stopped at Swfr 2.6m. The letter had been sent to an Indian mission-ary and was bought in a bazaar in 1897 for 5 rupees. By 1917 it sold for £11,000 and the New Orleans dealers, the Weill Brothers, paid \$380,000 for it in

The top price in the sale was the SwFr 585,000 (£230,314) (below estimate) paid for another item from the Weill Brothers dispersal of their stock, the British Guiana 2c "Cotton reel" pair on cover. At Christie's in Edinburgh

on the same evening there was an auction record price of 260,500 paid for a painting by the Scottish artist Edward Hor-nel. "Easter Eggs." painted in 1905, had been brought back from Uruguay for sale.

Sotheby's auction of musical instruments yesterday was so massive that part of it took place on Wednesday evening. The opening session produced £437,404 with just 6 per cent unsold. Top price was £33,000.

paid twice, once for a quartet of ivory recorders made by Johann Gabn in Nürnberg around 1700, and once for just one recorder, a pearwood bass recorder by Hotteterre of Paris, dated to the late 17th century.

Of more interest was a spate £2,090 paid for a piccolo, a one keyed hoxwood instrument made in Paris around 1850 hy Thomas Lot; or the £9,350 for a glass flute, made a few years earlier in Paris by Claude Laurent; or the £13,750 for a Baroque violin bow, pre-1788, perhaps made in Italy hul with Spanish inlay; or the £27,500 for a hassoon, produced in Brussels around 1830 by the famed Mr Sax.

At Christie's in London yesterday a late 18th century North Italian olivewood and marquetry bonbeur-du-jour sold for £60,500 as against a £5,000 top estimate. It was possibly made by the famed Milan cabinet maker Maggiolini. Italians were active buyers at Bonhams picture sale, paying £41,800 for a scene of peasants by the 19th century Italian artist Fignorini and £46,260 for a

Neapolitan scene by Pratella. In Amsterdam on Wednesday Sotheby's sold a pair of paintings of winter and sum mer in which Joos de Momper did the landscape and Jan Breughel the Younger the figures, for £623,065, around ten

Antony Thorncroft

times the estimate.

FINANCIAL TIMES

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Friday November 24 1989

Keeping Gatt on track

THERE IS a message from last week's meeting of trade minis-ters in Tokyo. It is that the Uruguay Round of multilateral trade negotiations needs an injection of political will if it is to prodoce a substantive result by the time of its scheduled

completion, a year from now. Not only did the meeting fail to make progress on the divi-sive issue of farm reform. It concluded with only vague promises of an eventual agree-ment on cutting tariffs. This is the staple husiness of the General Agreement on Tariffs and Trade and should be one of the simplest items on the agenda.

There are times in any inter-national trade negotiation. especially one as complex and amhitions as the Uruguay Round, when it is necessary to guard against false defeatism. Now is perhaps such a moment, as the Round moves from three years of concentral from three years of conceptual discussion to the daunting husiness of practical hard bar-

gaining.
It would he wrong, however, to dismiss current doubts as simply a manifestation of this

psychological syndrome. Europe's new obsession with events to the East has created a dangerous distraction. Such political energy as It is pre-pared to devote to the Uruguay Round could easily he dissi-pated as attention turns to other, seemingly more urgent,

This would he a serious mistake. A minimal result in the Uruguay Round would almost certainly spell the end of the multilateral trading system on which the postwar prosperity of the West has depended. Its future cannot be left to techni-cal discussions by functionaries. Politicians must ensure that they are, and remain, actively involved.

Agriculture

Though agriculture remains the ontstanding political issue of the Uruguay Round, there are few agenda items which do not involve participants in con-scious political choice. Even the US position on tariffs reflects pressure to protect its textile industry behind excep-

tionally high duties.

The theoretical gains from a successful Uruguay Round are more than just sgricultural

an end to unilateralism in US trade policy, symbolised ideally hy repeal of the notorious sec-tion 301 of its trade law, and a tangible commitment by Japan to reform those anti-competi-tive structures which militate against imports. Negotiators need to be convinced that these goals are attainable if

real progress is to be made.

Participants at the Tokyo meeting report a welcome attempt by Mrs Carla Hills, US Trade Representative, to bring leadership to the Round. US leadership is one prerequisite for success and it may bring a relatively quick breakthrough in some technical areas, including tariffs.

Unilateralism

Yet, notwithstanding this week's decision to delay action against Japanese trade barriers in the construction industry. the recent record of the US, with its attempts to block or ignore judgments against it in the Gatt, has been lamentable. It will have to work hard to convince its trading partners that it is prepared to put its unilateralism on the table, just as Europe needs to show it means husiness in farm

Next year's economic summit may be too late to breathe political life into the Uruguay Round. It comes only six months before the final dead-line. The main players could take action now by signalling line. The main players could take action now by signalling that they are not prepared to he distracted by events elsewhere and that they are ready, at the political level, to make genuine concessions. If sincere, such a commitment will be quickly reflected by the behaviour of their officials at the negotiating table.

Without such a lead, negotiators can do little more than

tinker at the margins. In those circumstances, the developing countries are most unlikely to make concessions of their own in areas like services and intellectual property. An insubstan-tial Round followed by a drift into unilateralism and protec-tionism would become inevitable. Just at a time when it is crowing over the failure of communism, the West would have abandoned one of the mainstays of the global market system, on which its success

Alas, poor Lebanon

WHENEVER LEBANON seems to he beginning to drag itself out of the abyss, some new act of violence arrives on cue to hurl it down again. In 1982, after the Israeli inva-

sion, Bashir Gemayel was elected President. He was the leader of the toughest Chris-tian faction and had the sup-port of the Israelis, yet Moslems st that moment were prepared to work with him, believing he had the strength to restore the independence of the state. Before he even took office he was killed hy an explosion in his party headquarters. That murder was widely hlamed on the Syrians. who were determined to retain Lebanon under their influence and not let it become an Israeli protectorate. Yet some Lebanese argued the Israelis must be behind it, because Mr Gemayel had shown an unexpected will-ingness to stand up to them.

Contradictory motives

Again this week a newly elected President has heen killed, in an explosion. This time it happened in Moslem West Beirnt, and the victim was widely regarded as a Syrian protègé. The primary suspect, therefore, is Syria's enemy: the de facto ruler of the Christian enclarse. General Christian enclave, General Michel Aoun. But again, he and his supporters are quick to cast suspicion back on to the Syrians themselves. Two alternative and mutually contradictory motives are suggested: either President Moawad, like Bashir Gemayel, was too close to success in reuniting Leba-non and thus depriving the Syrians of an excuse to keep their army in the country; or (a little more plausibly) he was clearly failing to unite the country under Syrian inflnence, and therefore of no further value alive, whereas his death could be used to discredit Gen Aoun and exacerbate divisions among the

Such theories are not con-vincing. Mr Moawad's death is s grave blow to what is left of Syria's credibility as the guarantor of public order in the part of Lebanon it controls, and clearly aimed at destroy-ing a process through which Syria had come close to achieving its political aim: a recognised Lebanese state commit-

ted to remaining on friendly terms with it and too weak to demand the withdrawal of Syr-ian troops. Yet it is not clear that Gen Aoun will benefit, and he would in any case hardly be able to organise such an operation in West Beirut without Moslem complicity. Suspicion thus falls on Moslem parties which share his interest in sabotaging the consolida-tion of a Lebanese state under Syrian influence: Iraq, the Palestine Liberation Organisation, and perhaps Shia Moslem extremists supported by Iran.

Fewer illusions

Whoever it was, their real target was clearly the compro-mise agreed between Christian and Moslem members of parlia-ment at Taif in Saudi Arabia last month. Yesterday the christian moderates who backed that agreement, braving Gen Aoun's wrath, reacted hy rallying to its defence and preparing to elect another of their number to the ill-fated office of President. If they succeed the intentional contents are the intentional contents and the intentional contents are the intentional contents. ceed, the international commu-nity, which had recognised Mr Moawad as the legitimately elected President and the man with the best chance of bring-ing peace to the country, will no doubt accord the same support to his successor, but with even fewer illusions about his chances. President Bush's offer of US help "to bring these kill-ers to justice" rings all too hollow. Perhaps some technical advice on preventive security measures would he more rele-

Suggestions for a political solution amount almost to adding insult to injury. Bnt what should be clear by now is that Gen Aoun's crusade to "liberate" all of Lebanon from Syrian occupation has not united the country but sharpened its divisions. Widely supported within the Christian enciave, it has encountered a mixture of scepticism and outright hostility among the Moslems who make up the great majority in the Syrian-occu-pied area. The effort to pre-serve or restore some kind of Lebanese state may still he worthwhile, but realistically it can only he based on a very loose union between two or more cantons corresponding to the different confessional

Robin Pauley and Colina MacDougall say China has leapt backwards

s the iron curtain collapses in fragments, the bamboo curtain is being reinforced, any cracks in it being blocked up as fast and as firmly as

Eastern European states accept that communism, as practised, is failing to fulfil both the individual and national aspirations of their people. The Chinese leadership looks the other way. The eastern European leaders have recognised that reform of their mori-hund economies leads quickly to irre-sistible demands for intertwined reforms allowing more political and personal liberty. Initially the Chinese press kept near total silence on events in eastern Europe, a sign of their serious concern - even now the reportage is brief. None the less the Chinese leadership is still trying to pursue a liberal "open door" economic policy without any concomitant changes to political and personal freedoms.

The Peking Government put down the most recent challenge to this view with the indiscriminate use of machine guns against unarmed pro-testors in June. The new hardline administration in Peking ignores all the writing on all the walls from the Berlin Wall, disintegrating before our eyes, to the Chinese university walls where the odd discreet and literally death deriving protect continues to death-defying protest continues to appear, rarely and briefly.

Deng Kiaoping, China's supreme leader, now 85 and in failing health, has tried to ensure a compromise between a political hard line and a small dose of economic reform, but this is unlikely to outlive him. After the June massacre and dismissal of Zhao Ziyang, the previous party leader, the Central Committee later that month elected a new Politburo Standing Committee which hlended hard-liners and reformists and put

hard-liners and reformists and put Deng's pragmatist protege, Jiang Zemin, into Zhao's post.

Then, two weeks ago, when Deng resigned from his last party job, the chairmanship of the Central Military Commission, Jiang was appointed to that too. But no-one gives much for Jiang's chances of pursuing reform or Jiang's chances of pursuing reform, or even of survival after Deng's death. The hard-liners are simply too tough and self-interested for hureaucrats like Jiang to outmanoeuvre. A total hardline victory could provoke a polit-ical hacklash and even economic

China is surely heading for radical change - or catastrophe. The cer-tainty of one outcome or the other is underlined, as in eastern Europe, hy the failure of the economy to perform consistently well enough to fulfill the raised expectations of the population which at 1.2bn (and rising) comprises a quarter of all the people on earth. "China is relapsing into Brezhnev style stagnation," said a western dip-lomat in Peking, "If Deng dies without solving the economic problems, there could well be riots and demon-strations and China's fissiparous tendencies might end in a break-up of the

country." Beneath the propaganda veneer China today is rent by a myriad of power struggles within the Polithuro and without: conservatives against reformers; the wealthy coastal prov-inces against the centre; liberal pro-vincial governors against the Peking gerontocracy; north versus south; economic progressives urging devaluation against introverts supporting austerity to the point of recession; the

state versus the people.

As these intertwined power struggles are fought out the most obvious result is uncertainty which manifests itself in paralysis of the bureaucratic machinery. No decisions are made. Officials are unsure what policy has been changed and to what; everything is referred upwards. Even the most trivial of decisions — should a lowgrade agricultural delegation still



Jiang Zemin (left) receives the congratulations of Deng Xiaoping, whom he this month replaced as chairman of the

The writing is now on all the walls

make a planned visit to Australia? –
has to he approved at the highest
level of the State Council.

Many decisions have to be referred
to the office of Li Peng, the Prime

Minister. Foreign joint venture man-agers complain that they have been ble to get no answers to crucial questions since May. "Loads of sympathy from everyone at provincial and national level, mayors, even ministers and Jiang Zemin, the Party General Secretary. But no decisions at all," says Professor Burkhard Welkener, the German head of Volkswagen's joint venture in Shanghai which has had to close down three times this year because of the collapsing domes-tic market and even now cannot get a production quota for 1990.

When the troops cut down China's student movement on the night of June 3, they did much more than shore up Deng's aiready discredited leadership. They took the ground from under Zhao, strengthening the hard-line party conservatives and

halting 10 years of economic reform. China has made a giant leapt backwards. It may be temporary; it may be as destructive as others before it, notably the Cultural Revolution and the Great Leap Forward. "The econ-omy is certain to decline under the present policies", sald another Peking diplomat. "The 'open door' will he redefined in terms of maximum

The country has already moved well back along the road in the direction of doctrinaire socialism, even towards a kind of Maoism. There are many differences between the last years of Mao Zedong's life and 1989 – not least of which is the near-overt opposition from many younger, more pragmatic modsrates, to the oldguard's conservative policies. But there are uncomfortable parallels between the fading of two ageing lead-ers, Mao and Deng, and the rise of a powerful and extreme minority. In Peking, the tensions of the Mao years, dissipated gradually hy relax-ation of control since 1978, have returned with a vengeauce. The city

returned with a vengeance. The city is wrapped in an uneasy quiet, maintained by the liberal scattering of steel-helmeted soldiers with antomatic weapons. TV cameras have spronted on many lamp-posts, at key road intersections, concealed in hotel lifts and entrances, over gates, and goodness knows where else to keep guard over a sullen populace. Cars without number-plates patrol the

Chinese leaders have begun to display the xenophohic resentment towards the outside world and the would be "self-reliance" that characterised the middle 1970s. Foreigners – notably the US, which Deng attacked in his interview with former president Nixon, are blamed for helping to cause the student protests and for isolating China since.

lating China since.
The sanctions imposed by western countries are condemned by the conservatives as interference in China's internal affairs, and the award of the Nobel Peace Prize to the Dalai Lama, Tibet's exiled spiritual leader (an Indirect condemnation of the Chinese government's use of violence in both Tibet and Peking) caused near-apo-

plexy. Since June, ideology has moved back into the limelight, initially because the students were seen as uneducated in party doctrines and thus prey to corrupting influences.
Students have been taken off their studies and sent to the "grass roots" to learn from workers and peasants. All Peking University's first year students are doing a year's military — hut, significantly, not weapons — training to keep them in line and off campus. Around the country secondary school students have heen marched to "learn from" the factories. For a country in dire need of better For a country in dire need of better education this is, at best, ridiculous, As worrying is the new prominence

given to the party in factories and offices. A key factor in Zhao Ziyang's industrial reforms was the separation of the party from management in order to boost efficiency. But the party's management role is now to be beefed up, with economic reform subordinated to politics.

Ideology and the desire to resume

control are generating new moves to boost subsidies to the inefficient state industries. The productive but erratic co-operative and private enterprises which have soaked up much surplus labour and contributed so much to the improved quality of life in recent years are closing, squeezed for credit and raw materials and pressured by

Even in the countryside, where the dissolution of Mao's communes has brought untold benefits, the leadership is threatening to tighten control. Currently the farmer can grow almost what he likes, a system which has inspired many to move out of grain into more profitable crops and has indeed led to undesirable building on fertile land or the neglect of irrigation

and drainage.
But instead of alleviating these problems by raising grain prices further or confirming the farmer's tenure to encourage him to improve the soil, the government is now experimenting with more restrictive types of land allocation. There is a notable pilot scheme in Hebei province where land is being redistributed to families who are supposedly more efficient farmers. The dispossessed are intended to find work in local factories, but these are the enterprises currently under threat.

Even before the fall of Zhao, the Li Peng leadership was trying to apply doctrinaire solutions to the problems thrown up by the reform. The economy was overheating dangerously in 1988 with personal incomes rising twice as fast as production. As con-sumer demand, spending, credit and debt were all spiralling rapidly out of control, the government introduced an austerity programme last autumn, which brought the industrial growth rate crashing down from 17.7 per cent in 1988 to an expected 7 per cent this year. This made a lot of sense but its implementation showed again that there are few sophisticated levers and even fewer sophisticated lever-pullers

Blunt instruments are wielded crudely and the economy staggers from Stop to Go with very little smooth travelling in between. After a year of austerity, some achievements are important: growth is slowing fast and the official inflation rate, of 18 per cent last year (the real rate was probably nearer 30 per cent) seems to probably nearer 30 per cent) seems to have peaked at around 25 per cent in the first half of this year and, as the recessionary measures bite, is now falling rapidly. But there are also danger signs, it is investment rather than production which has taken the greatest cut; wages continue to rise as do subsidies to inefficient state operations. Efficient and export-oriented companies are squeezed tightly starved of investment funds and credit and are, increasingly, closing. Foreign debt has mounted rapidly to \$40m and although servicing remains manageable there is a debate under way with the conservative ministry of finance talking about new borrowings the first half of this year and, as the finance talking about new borrowings to pay old debts, a course previously rejected by China because of its calamitous effect in other countries. Much of the bad is surviving, much

of the good is being strangled. A pol-icy review to modify restrictions where necessary is clearly needed: for example, export industries require easier credit but importers of luxury consumer goods do not. There is no sign of a more discriminating approach in spite of the fact that a crash landing into deep recession appears a real prospect for the econ-omy next year. The recent Central Committee plennm confirmed that present economic austerity should continue for a further two years.

continue for a further two years.

This would be dangerous enough. But the fact that every item of policy is so hotly disputed within the leader-ship, with the factions separated by ever widening ideological gulfs, makes matters worse, throwing np weak characters as a sop to both sides. Jiang Zemin, the new party General Secretary, is described by one western diplomat as "a feather duster." Li Peng, the incompetent hard-line premier, is widely hated even within the government.

The army is riven by disputes over the June massacre, particularly over the role of Yang Shangkun, the state president and newly-appointed senior Vice-Chairman of the party's key Mili-

Vice Chairman of the party's key Mili-tary Affairs Commission. The Yang clan, of whom several hold top jobs in the army, is detested by the younger, more professional soldiers.

All these divisions and struggles, mainly latent until the events of June, and the hardening of the leadership line since, are gnawing away at the Chinese system. As Deng retires, leaving the scene to an ill-assorted team of elderly but spry conservatives and colourless middle-aged men, China's stability looks precarious.

PM with a difference

■ There are several reasons why the name of Xenophon Zolotas, the 85-year-old Prime Minister of Greece, might he known to readers of the Finan-

He is an internationally renowned expert on monetary policy and was governor of the Bank of Greece from 1955 to 1981, with a seven year gap during the colonel's dictatorship (1967-74). Those whose memories go further back might recall that he was one of the "four wise men" who helped to found the Organisa tion for Economic Co-operation and Development (OECD). Zolotas was driving home

from a visit to the dentist when he heard the news of his appointment to head an all-party government on the car radio. He will be addressed as "Professor" by his Cabinet and the party leaders with and the party leaders, with whom he will hold weekly consultations. Both the conserva-tive leader, Constantine Mitsotakis, 71, and the former socialist prime minister, Andreas Papandreou, 70, were among his pupils when he lectured in economics at Athens University in the 1930s. Zolotas comes from a family

of Athenian goldsmiths, whose name is derived from "zloty", the Polish currency unit, which was modelled on the French gold franc. After graduating from Athens University at the age of 18, ha resisted family plans for him to become an Orthodox priest, and went on to Leipzig University. His doctoral thesis, Greece at the Stage of Industrialisation, was published in 1926, the first of more than 70 books and

in 1936 when he became president of the Agricultural Bank. He joined the central bank in 1944 and was appointed Greece's representative to the IMF two years later. After his retirement from the Governorship of the central

His banking career started

bank, he stayed on as an honorary governor where he works from a second floor office, disdaining the lift to climb 104 marble steps every morning. He goes swimming in the Saronic Gulf most afternoons, winter included, and sings Byzantine chants on Sundays in the choir of the Church of Zoodochis Pigis in central Athens. True blue

Observer

■ On the subject of blind trusts and ministerial investments, we hear of one case where the

minister chose the dullest, least adventurous stockbroker he could find, and told him to put everything into blue chips. He turns out to have done very nicely.

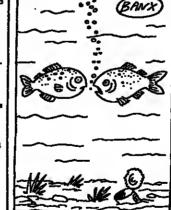
All seasons

■ Robert Oakeshott is one of those single-issue people who somehow manage to make their issue fit with a succession of quite different, not to

say opposing, political trends Oakeshott's company, Job Ownership Ltd, advises people how to set up and run co-operatives. It was set up in the 1970s when Tony Benn was in the Government and Yugo-slavia was still seen as a promising model of democratic socialism, though Oakeshott's own preferred model was and still is a group of successful industrial co-operatives cen-tred on Mondragon, in the

Spanish Basque country. in the 1980s he enlisted support from Tory ministers, arguing that employee huy-outs, heing a form of people's capitalism, were really what the Thatcher Revolution was all about

Now he is peddling them with equal vigour as the escape route for east European economies. This week he has a large group of Soviet visitors on a co-operative tour of



"If I were a tax payer, I'd be furious."

visit to Mondragon.

The head of the group, Dr
Valery Rutgaizer, a radical
economist, is already closely involved in a planned huy-out at the Pishchemash Factory, a medium-sized state-owned Moscow firm which manufactures catering and related equipment. If successful, this could be a model for Soviet enterprise.

Britain, to be followed by a

Dental smear

■ The toothbrush may be on the way out. Researchers at the Hebrew University in Jerusalem will soon be offering a new product which they claim will revolutionise dental care. It is a liquid polymer, laced with a range of antisep-tics which are released slowly over 24 hours. Just smear on teeth and gums, then let it get on with preventing the cre-ation of a dental layer, block-ing infection and treating over-sensitive molars.

The product has been devel-

oped hy a team under Professor Michael Freedman of the

Hebrew University's pharmaceutical department. Subject to being officially licensed, it will he made and marketed by a subsidiary of Israel Chem-One smear, the professor

says, will provide protection for a whole day. A single appli-cation is as good as a mouth wash every couple of hours. Will it put dentists out of business? Not exactly, he claim but you won't have to go so

Free French ■ So many people have sent us this story that it may

almost come from the car company. "Did you hear about the Renault 5? They're innocent."

Young again The moment one knew that the political career of Lord Young of Graffham was on

the way down was when he sought the chairmanship of the Conservative Party as well as the post of Secretary of State for Trade and Industry which he already held. He said that the Conservative Central Office has a turnover of only £5m a year and that he could do the job half a day a week.

Not surprisingly, he did not get it. And, as Margaret Thatcher should have known, the practice of elevating some-one to the Cabinet by giving him a peerage, without him having previously been in the House of Commons, seldom works.

One's opinion of Salomon Inc. the holding company for Salomon Brothers, does not go up on the news that it has invited Young to join its board. He has, of course, accepted.

Diary date

A Hampshire reader reports that a circular letter from his local restaurant begins: "Dear Sir, This year Christmas Eve falls on December 24 . . . "

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f ever Mrs Margaret Thatcher looks like a sure loser of the next British general election, the Con-servative Party will dump her. This is not an idle thought. Mr Neil Kinnock, who is becoming an extremely conservative leader of the Labour Party, may now move the Opposition so far ahead in the opinion polls that the Prime Minister could very well start to look like an irrevery well start to look like an irre-trievable electoral liability, at least to the three-score or so Tory backbench-ers with small majorities.

The first of these propositions is of particular interest today, since there is widespread speculation about a possible challenge to her leadership of the party. Conventional wisdom has it that any upstart will be crushed, yet since no one has been brave enough to step forward during the past 14 years, the very fact of a contest could suggest that there has been some weakening of the Prime Minister's position. Meanwhile, let us assume that for once conventional wisdom is correct and that, well before Christ-mas, Mrs Thatcher emerges out-wardly unscathed — either because there is no leadership contest or

because whoever stands against her is humiliatingly defeated. bumiliatingly defeated.

That circumstance would not necessarily secure her position for the 2½ years still to go before another general election must by law be held. Tory elders have been saying this week that, in Lord Whitelaw's words, "goasip, rumour and internal intrigue" can only damage the party. Most of them sincerely believe this—for the moment. All of them know, however, that one of the most enduring characteristics of the Conservative Party is its willingness to topple ing characteristics of the Conserva-tive Party is its willingness to topple its leaders, without sentiment or cer-mony, when it is politically necessary to do so. Nor would they feel obliged to wait for the annual opportunity provided by the party constitution. If the outlook seemed hopelessly bad by, say, next summer there could be a deputation to Downing Street and a request to Mrs Thatcher to step down. This cannot be a forecast. What happens will depend upon several fachappens will depend upon several fac-tors, the most important of which will be the state of the economy. If that seems to be coming right we will be back on course for a fourth Tory vic-tory, most probably under the party's present leader. If not, the relative strength of the Lahour Party will

become a more important factor.

It is here that Mr Kinnock, seen by an increasing number of people as the emerging Stanley Baldwin - or the Harold Wilson - of the 90s, comes in. The Conservatives have great diffi-culty in taking him seriously. He seems so shallow, they say, such a joker. In the House of Commons the Prime Minister always speaks with dignity, behaves with decorum, and obeys the formalities of debate. Mr Kinnock sometimes seems to do none of these things. In television appear-ances over the past few years he has come across as a man without gravi-tas, someone it is not possible to pic-ture in No 10 Downing Street. Mrs Thatcher attracts more respect than affection; Mr Kinnock the reverse.

POLITICS TODAY

A Teddy for distraught voters

By Joe Rogaly

The Tories will do themselves a grave injury if they regard this as the whole story. For one thing, he will look more prime ministerial now that the House of Commons can be seen on question, "does it work?" It is no complete the control of the co the House of Commons can be seen on television. There he is, a few feet away from Mrs Thatcher, questioning her twice a week. She can be a dazzler on TV, as she was on Tuesday, but he has the advantage of relative novelty. For another, we have to give him a double first in party management, since Labour has been transformed under his leadership, while the centre parties have dwindled into insignificance. For yet another, while cance. For yet another, while Labour's present commanding lead in the opinion polls is in large part a function of the current high mortgage rate, Mr Kinnock has undoubtedly

rate, Mr Kinnock has undoubtedly had something to do with it.

I would categorise that "something" as the establishment of Labour as a safe, comfortable, conservative party, a new Teddy Bear for distraught voters to cling to. Think about it. Just a few years ago Labour was a house haunted by frightening left-wing demons. Mr Tony Benn was one; Mr Kinnock saw him off. Mr Ken Livings-

Mr Baker's wish to cost Labour's policies and pin the total on Mr Kinnock would be like trying to pin an energetic eel

tone was another; the party boss had the pleasure of seeing him moved to the margins of public affairs. Mr Arthur Scargill was a third; the Prime Minister herself did Labour the favour of vanquishing him, but our Neil did nothing to stop her.

The policy review, initiated by Mr Kinnock after Labour's defeat in the 1987 election and endorsed by the party conference just a few weeks ago, has taken all this a stage further. Never mind the details. The whole process, combined with a steady accretion of Kinnock power within the party, has produced a Labour leader confident enough to present himself as pragmatic, non-ideological,

question, "does it work?" It is no coincidence that I have left out "socialist".

For in conversation Mr Kinnock comes across as a street-wise politician, wall aware of what repels voters and what attracts them. He has two fundamental messages to put across.

The first is that next time, if there is a next time, Labour will not be a high-spending, high-taxing government. We have already been told that the ceiling on income tax will be 59 per cent, if national insurance is included. The Labour leader would like to earmark national insurance income as a direct source of National income as a direct source of National Health Service revenue, but this is not yet party policy. Except possibly for some luxuries he does not propose to increase value-added tax. As to to increase value-added tax. As to spending, Mr Kinnock says that he can see no reason wby public expenditure as a share of gross domestic product should exceed 38 per cent to 40 per cent, the level confirmed in the recent Autumn Statement by the new Chancellor of the Exchequer, Mr John Major. The possibility that defence spending might be cut to allow for increases elsewhere is ruled out as, he says, wu cannot be sure that defence increases elsewhere is ruled out as, he says, you cannot be sure that defence cuts would be prudent at the time. He understands that this would be a difficult line to bold in years of low growth, when GDP would shrink, but he has his let-outs. Individual items of spending that seemed likely to bring a big return could take him over the 40 per cent; public-private shared enterprises, like a training levy financed by employers, need not count as public.

prises, like a training levy financed by employers, need not count as public spending. These its and buts are secondary to his insistence that he will tell people not to expect too much from the early years, as his new administration will have to inspect the books and see how much can prudently be spent. The Conservative Party chairman, Mr Kenneth Baker, wants to cost Labour'a policies and pin the total on Mr Kinnock, It will be pin the total on Mr Kinnock. It will be

like trying to pin an energetic cel.

The Labour leader's second fundamental message is that he does not intend to roll forward the frontiers of



the state. Stronger trade and industry departments will be there to "facilitate" their private sector clients; training and regional development schemes will be "enabling"; the Trades Union Congress will be treated in the came way as the Confederation. in the same way as the Confederation of British Industry and neither will have the formal corporate role enjoyed in the 1960s. It is not quite so easy to talk away Labour's proposals on "restoring a fair balance between trade unions and employers", but even here the language is emollient. Ballots remain; arbitration will hind both sides, on penalty of law. Labour is most vulnerable here, particularly on secondary picketing and a mere slap on the wrist for defeulting unions. It is a weakness upon which Mr Baker will seize with glee.

Most of us have seen all this commer but the experience of heaving it.

ing, but the experience of hearing it first-band, in full, is still culte remarkable. The new multilateral policy does not guarantee nuclear disar-mament while Britain is in Nato, which it will be, although, of course, Labour's strategy is to be part of the global disarmament process. The younger generation may understand European federation, but Labour is content with moving cautiously, and piecemeal, along a lengthy road that may be pointed in that direction. (A may be pointed in that direction. (A majority of ministers in Mrs Thetcher's Cabinet have privately expressed the same sentiments). We cannot rush into a new grand plan for eastern Europe when it is hardly a fortnight since the Berlin Wall began to crumble. And so on.

It is incongruous for a Welsh-born politician to take such a hluff, middle-England position, but he does so

on many issues. I believe that the British polity will never be properly managed while there is an all-powerful Prime Minister and an adversarial system in parliament; Mr Kinnock argues, Englishly, that it is the individuals and their intentions that count, not the mechanism through which they exercise power. The Labour review excludes proportional representation for the House of Com-mons, but does not rule it out for a mons, but does not rule it out for a proposed new senate (not a Kinnock priority), regional assemblies (of which Scotlend's would come at once), or elections to the European Parliament. My impression is that he might slowly and reluctantly snowmh to pressure on these matters and leave it to a faraway future to decide on PR for the Commons, if the Kinnock we see today is to be trusted with the most powerful prime ministership in the democratic world, he must try harder to understand those whose doubts would be stilled by a more positive programme of constitutional reform.

more positive programme of constitutional reform.

It would be especially ironic if the
Conservetives responded to adverse
polls by replacing Mrs Thatcher with
Mr Michael Heseltine, for be espouses
policies that could as well be spoken
by the Labour leader. They differ in
approaches to taxetion, potential
social spending, and length of hair —
hut little else. Both are pro-Europeans
Mr Heseltine the more overtly fed-(Mr Heseltine the more overtly fed-eral) who want high spending on training and education and govern-ment support for trade and industry. Mr Kinnock believes that a Heseltine campaign could be taken by Labour as the sincerest form of flattery. Heaven help the voters.

LOMBARD

A triumph of whose values?

By Martin Wolf

AS THE REGIMES of eastern

Europe crumble, there is much

Marshall Plan was under way
and western Europe was oo the talk of the triumph of "western values." What are these west-ern values? They are parlia-mentary democracy, the mar-ket economy and "a government of laws, not of men." That these are universal men." That these are universal western values is e myth. Over

the centuries these have been, above all, Anglo-Saxon values. Their triumph in this century is owed to one Anglo-Saxon power, the United States of America. At this extraordinary juncture of history, when the division of Europe may be ending in

tory, when the division of Europe may he ending in peace, prosperity and freedom, Europeans should give thanks where their thanks are due.

None of this looked in the least likely 50 years ago. The history of this century is divided by one day, December 7, 1941, the date of Pearl Harbour. After the collapse of capitalism in the 1930s and the first two years of the Second World War, it seemed overwhelmingly likely that the 20th ceningly likely that the 20th cen-tury would witness the tri-umpb of one of two other creeds, Marxism or National Socialism. Both are quite as European as Angio-Saxon liberalism. In their common ideal of a socialist community under the sway of a Guardian class, they go back to Plato, than whom no more central a figure in western intellectual history

in western intellectual history can be imagined.

By the beginning of the century, the original Anglo-Saxon power, Great Britain, had lost the strength to maintain the global liberal order. Exhausted by the First World War and enfeebled economically, all the UK could do in the Second World War was survive and hope that the New World would come to the rescue, We owe thanks to the Japanese for owe thanks to the Japanese for this rescue (and to Hitler for his subsequent declaration of war on the US) – this being perhaps the most striking example of unintended conse-

quences in history.

Within four years of Pearl
Harbour, both National Socialism and Japanese militarism
had heen defeated. Within eight years, the global eco-nomic institutions - the IMF. the World Bank and the Gatt
- had been established, the

path of recovery, its security underwritten by the US presence in Nato Meanwhile, the colossus of the East had imposed upon occupied eastern Europe its totalitarian road to

Thus there arose in the divided continent of Europe the conflict foreseen a century before Pearl Harbour by Alexis de Tocqueville, in his classic study of Anglo-Saxon values, Democracy in America. "The Anglo-American relies upon personal interest to accomplish his ends," he wrote, "and gives free scope to the unguided strength and common sense of the people; the Russian centres the people; the Russian centres all the authority of society in a single arm. The principal instrument of the former is freedom; of the latter, servitude. Their starting-point is different and their courses are not the same; yet each of them seems marked out by the will of Heaven to sway the destimes of half the globe."

of Heaven to sway the desti-nies of balf the globe."

It looks as though the half of the globe dominated by the Anglo-Americans has now won a second great victory. This time the victory, a peaceful one, is against Russia, a Russia canting by a European total. captured by a European totali-tarian ideology, as a result of that deback of European civil-isation, the First World War. Europeans should never forget the difference between the first and second haives of this century, between the world they made for themselves and the world they have made under

American tutelage.

Like all great historical events, those we now see in Europe have their ironies. The UK, the mother country of Anglo-Saxon values, now finds itself in the stocks as insufficiently European, For this, it has itself largely to blame, The second and greater irony is that the Anglo-Saxon powers have been falling on hard times, most notably the UK, hut the US, too. The US remains the one true global power, but, if the triumph of Anglo-Saxon values is to bold good into the next century, it will only be if their implanta-tion in erstwhile enemies has been as successful as we all

LETTERS

Marx and Machiavelli meet

rom Mr Nicolas Travers.

Sir, The East German Govnment's (GDR) plans to reintion," are travelling east to

with the West are strictly hard Sir. The East German Gov-ernment's (GDR) plans to reintroduce strict controls on currency outflows (FT report, November 20) appear to present a singularly Machiavellian approach to monetarism.

It is true that GDR citizens visiting the West are now ship-ping out MDN (Mark der Deut-Poland and the Soviet Union from both demand and supply sides, by scrapping both purchasing and purchasing power.

Of course the GDR Government is also having to work harder to earn hard currency by printing more money (currency exports have long provided a secret support — banks in West Germany and West Berlin invariably produce MDN rustling with the pristine crispness of freshly printed notes). schen Notenbank) at ever softer free market exchange rates as they compete for hard cur-rency, and the MDN has lost roughly two thirds of its free market value in the past year. But these exports surely create important beneficial pressures both on demand and supply. For a start, the outflow is

significantly eroding a big monetary overhang of cash, saved within the GDR banking

system because the GDR has so few and such poor consumer goods. MDN are literally going west. By the same token, GDR

Swelling currency exports League table of working hours in Europe

From Mr Pete Burgess.
Sir, "Working time" in terms
of individual weekly hours is
only part of the picture in making international comparisons (Letters, November 14). Increasingly, manufacturing industry in Europe looks at

working hours in terms either of an explicitly (Italy, Spain, Netberlands) or implicitly (West Germany) agreed annual total, with weekly hours taken as an average figure, a bench-mark for calculating overtime, or a mid-point in a permitted range of weekly hours.

Differences in annual and public holidays, together with

ness." Following an earlier

series you kindly published my

letter criticising the somewhat

disingenuous attitude of these husiness people to apartheid.

Chapman of the South Africa

Black Taxi Association, quoted

in the advertisement on

November 17, reports that the

association is against general sanctions. He makes an

intriguing point, though: "Should black South Africans he told that if they support

sanctions for, say a year, apart-

heid would end, then everyone

They're at it again. James

the prevalence of granting additional days off ("time-banking") as the form of working-time-cut most preferred by many (male) employees, mean that the nominal working week is becoming a less and less reliable international indicator.

The Federal German Confederation of Employer Association of Employer Associations

ness of freshly printed notes). But presumably government printers will accept a wholly socialist duty, and work longer

hours for meagre rewards.

tion," are travelling east to diminish accelerating and poorly assuaged GDR con-

So the GDR Government is

combating the inflation which

is already wreaking havoc in Poland and the Soviet Union

demand

The Federal German Confederation of Employer Associations (BDA) shows annual average contractual bours worked in manufacturing industry in selected OECD countries as follows (weekly hours in brackets):

Switzerland (40) 1,886

Sweden (40) 1,808 France (39) 1,771 Spain (40) 1,776 Italy (40) 1,768

Japan (42) 2,201 US (46) 1,912

South Africa and sanctions From Mr Gerry Pocock.
Sir, 1 note that once again would agree." He also claims that previous supporters of yon are carrying a series of advertisements from "The Voice of South African Busisanctions are recor

Warren Clewlow of Barlow

Rand claims: "Much of the

sanctions pressure has been motivated not by lofty moralis-tic ideals but for the initiators' OK. South African business is against sanctions and is prepared to say so. It implies that it is for democracy and reform, but is not prepared to say that the system of institutionalised racism which is apartheid

must go and be replaced by majority government. The silence is revealing.

I draw your attention to two observations from the Com-monwealth Sanctions Report:

with the West are strictly hard currency or barter deals. East-

ern deals are similarly bar-

tered, or counted in Comecon roubles.

Currency depreciation, cou-pled with return to a certain border strictness, might also generate long-term political strength. The MDN now seems

at a nadir. Careful GDR Gov-

ernment management, backed by western aid, and supported

by toughening controls, could edge it progressively higher

from now on.

Hence a princely lesson:
scrap cash, scrap demand,
murder the market — then

revalue. It seems that Marxism can still teach us a trick or

two. Nicolas Travers, Birchfield Cottage,

UK (39) 1,763 Netherlands (40) 1,748 Austria (39) 1,739 Norway (37.5) 1,733 Belgium (39) 1,710

West Germany (38.4) 1,697
Given the economic strength
of the countries at the top and
bottom of the "hours" league,
working time is far from the
central determinant of national
manufacturing success.

Pete Burgess, Incomes Data Services, 193 St John Street, EC1

"Sanctions are the way to force Pretoria to enter into genuine negotiations . sanc-tions are an essential part of negotiations, not an alternative

to pegotiations; "Sanctions will help to convince white Sonth Africans that it is in their own interests to dismantle apartheld and enter negotiations to establish a non-racial and representative

government." Let's have some advertisements from Sonth African business people advocating Gerry Pocock,

International Secretary, Communist Party of Great Britain, 16 St John Street, ECI

Correction. please From Mr Henry New

Sir, Before Samuel Brittan ("Economic Viewpoint," November 15) and Wynne Godley (Letters, November 21) become too entangled in dis-putes over the Autumn State-ment diagram showing the link between capacity utilisation and the non-oil trade deficit, they should note that the dis-

gram is wrong.
The Treasury has used data for the total trade deficit before 1979 and the non-oil deficit

If it had used the non-oil deficit throughont, then the 1973-74 period would have shown deficits at about 1% per cent of GDP. Only during the 1974 miners' strike did it exceed 2 per cent. The impres-sion given by the diagram, that the present trade deficit is nor-

mal for this stage of the trade cycle, is wholly misleading. The normal deficit as a share of GDP since 1962 has exceeded anything that has gone before. I hope the Treasury will issue a corrected diagram before the hare it has started up has run

Henry Neuburger, Office of the shadow Environment Secretary, House of Commons,

Maps for **MMBA**

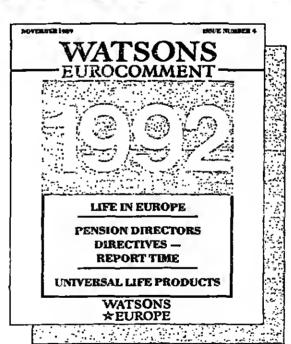
From Mr Robert Lowis.
Sir, Mr Rex Winsbury's letter (October 21) about the availability of maps in "miles and miles of bloody Africa (MMBA)," particularly Kenya, is nonsens

Kenya has an excellent and sophisticated survey department producing maps of all sorts, which anyona can huy with permission from the correct authority. The restriction was imposed when one of our neighbouring countries looked acquisitive; we did not want it buying our maps for issue to

Furthermore, Mr Winsbury's implication that the old days under British rule were best is insulting and wide of the mark. To take just one example: the British record on conservation was lamentable; it could be summarised as "plough It np or cut it down." Robert Lowis,

Trans-African Guides, Box 19538, Natrobi, Kenya

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FINANCIAL TIMES

Friday November 24 1989



EUROPEAN AIR DEFENCE

France blocks details of missiles to Britain

By David White, Defence Correspondent, in London

FRANCE is understood to be France and Italy in developing Britain's unexpected withrefusing to provide further information to the British Covernment on a planned new range of air defence missiles until the UK decides whether to join the oroject or opt for s US-led alternative.

The UK decision, awaited next month, is crucial to plans hy British Aerospace and France's Thomson-CSF for merging their guided weapons business, and to prospects of a joint rescue bid by the two companies for Ferranti International Signal, the troubled elec-

tronics gronn.
The French Government has made clear that it will approve the BAe-Thomson missile merger only if Britain joins a weapon programme known as Fams (Family of Anti-Air Missile Systems).

Rejection of the merger would undermine the strategydrawn up by the state-con-trolled Thomson-CSF for a major UK alliance, including possible part-ownership of Fer-

The British Ministry of Defence is thought to be lean-ing in favour of the French-Italian project, but no decision has yet been made.

The ministry's equipment policy committee, on which the Treasury is represented, has reaffirmed the British Navy's requirement for a new air defence system following drawal in September from the eight-nation Nato frigate proj-

France and Italy also withdrew from the project. Both Britain and Spain have been closely associated with the French and Italians in working-group discussions on Fams, one of two systems which were being considered for the Nato

frigate.
France's state-owned Aérospatiale, Thomson-CSF and Selenia of Italy have set up a joint venture for the programme, called Eurosam.

The planned weapons are

December.
The UK's deadline for joinbased on Aérospatiale's Aster missile. UK participation would involve BAe and GECing Fams is not until next April, but pressure is huilding up for an early decision on

NAAWS.

Marconi.

Questions have now arisen

over the future of the rival US

project, Nato Anti-Air Warfare System (NAAWS), because of

future US military spending

cuts announced last weekend

by Mr Dick Cheney, the US

Defence Secretary.

The UK has formally until

mid-December to decide

whether to sign a memoran-dum of understanding to join

West German participation in NAAWS is also in doubt and

awaiting a decision in early

which, if either, Britain should

The Fams project involves three kinds of naval missile and a land-based variant. French and Italian naval requirements cover only the shortest and longest-range. Britain, however, wants a medium-range "local area" missile. Buying into the pro-

missile. Buying into the programme is expected to involve a higher "up front" cost than joining NAAWS.

Meanwhile, the five countries remaining in the NFR-90 programme – the US, Canada, West Germany, Spain and the Netherlands – decided this week to continue to fund work at least up to the end of the at least up to the end of the

UK youth

labour

shortage

Editor, in London

boosts pay

By John Gapper, Labour

THE WAGE rates of 16- and 17-year-old boys in Britain are rising by 36 per cent a year as

employers compete to recruit a falling number of school-leav-

ers, the Government'a Naw Earnings Survey disclosed yes-

The 1988-89 year is the third in succession that youth wage rates have risen well shove adult earnings and indicates that government calls for

employers to offer better train-ing rather than increasing

wages are not being heeded.

The pressure on employers to improve youth pay and training is common across Europe because of changes in the composition of the workforce. Most European Community countries are facing sharp falls in the number of young people.

people.

The survey shows that the earnings of full-time male

workers under 18 rose 36.6 per cent in the year to April, while those of full-time girls under

18 rose 26.2 per cent. Increases were progressively smaller for older employees.

Employers in a variety of industrial sectors have brought youth wage rates in

line with those for adults in

wages are not being heeded.

Sterling ignores the trade winds

THE LEX COLUMN ASSETS

Mayhe the absence of the foreign financial heavy hitters, many of whom have been on holiday this week, explained the currency market's less than rapturous response to a set of UK trade figures which were not as horrible as expected. This is the optimist's view of why sterling's effective rate fell yesterday for the eighth straight day in a row. Perhaps when the foreign bankers get

when the foreign bankers get back to work next week they will suddenly realise that the UK balance of payments is on the mend and begin hnying sterling again. Some hope.

The trade figures were not all that bad. The volume trends are beginning to move in the right direction at last; strip out oil and erratic items and exports in the last three months were 10 per cent up on months were 10 per cent up on a year ago, while imports were up only 8 per cent. Nor do the figures suggest an economy on the brink of recession. Import price inflation is accelerating, and despite last month's mod-est improvement the current account deficit is still running at close to £20bn annually. Exports are going to have to grow considerably faster and imports fall far more quickly if there is any chance of a major dent in the deficit before the

next election. The longer the pound is allowed to slide - and it has fallen by another 3.4 per cent since the change of Chancellor - the more convinced the mar-kets are that there has been a change of policy towards the exchange rate. This fact has not been lost on the equity markets, which seem to be gripped by a dangerous com-placency. They would not dare put up interest rates to 16 per cent would they? If the pound falls much further they will have littla choice, if their anti-inflationary policy is to retain any credibility.

Rosehaugh

However hard one pores over yesterday's results, there are few financial things an ontsider can say with relative confidence about Rosehaugh. One reason is that so many of its activities, including Broadgate, are off balance sheet; the other is that Rosehaugh is so loath to

It looks as though no bid is coming, at least for now, from Olympia & York. The second thing one can say is that the stock is trading on a discount of only 31 per cent to published of only at per cent to primises, net asset value, even after yes-terday's 33p fall in the share price; and that means that in the absence of a bid, the shares

Boots Share price relative to the FT-A Stores Index

1988

now look distinctly expensive.

the questions get hard to answer. Rosehaugh's long term debt of £211m, and net gearing

ciate Rosehaugh Stanhope, the

Broadgate developer, probably has about £630m of borrowings,

against what analysts think are about £350m of sharehold-

Mr Bradman is so shrewd that it is hard to see him as a

potential casualty of a downturn. But the City's problem is that it cannot see which bits of

his empire are genuinely cash-positive, and which bits are not; and speculation thrives in

that sort of vacuum of informa-

Tuesday's share scam over Williams Holdings seems to take share ramping into new

territory; not just petty crime hut serious villainy. The fraud, which consisted of elaborately

conning the press into running a fake takeover story, was shrewdly constructed, particu-

larly in tha choice of the reclu-

sive Barclay hrothers as alleged predators. Williams'

shares rose 27 per cent before the story was publicly denied, by which time its authors had

presumably taken their profit. Even if they did not, the

offence carries a maximum

penalty of seven years inside. It is a safe bet that will never

happen. Inspection of Tuesday's share dealings will doubtless run into a blind alley, in Switzerland or elsewhere. Even if individuals were identified,

linking them to anonymous

calls to newspapers would be a

Williams Hldgs

again. And as before, the authorities will be unable to lay a glove on them.

1989

Boots According to its critics, Boots Beyond that, the key questions concern Rosehangh's debt and the health of its cash flow, given that even Mr Bradman now admits that the property market is hitting hard times. This is precisely where is dividing neatly into a tale of two bits. The first is Boots the Chemist, which on the evidence of yesterday's interim figures is continuing its remarkable growth in volume. margins and market share. The second is everything else, from DIY to the doubtfully efficaclous beart drug Manoplax. The hearish case is thet of 50 per cent, should be no cause for concern; until, that is, one considers that its asso-

hopelessly circumstantial job.

It could be argued that the fault lies with guilible or care-less reporters. That is to an

extent undeniable; but this was

a particularly professional job, addressed to at least four seri-

ous newspapers over four

working days - each time

with a greater wealth of cir-cumstantial detail - until one of them succumbed. Anyooc

with the right contacts and

sophistication can do the same

Boots is having trouble transferring its traditional skills to other retail markets. As with Manoplax, this is at present hard to disprove for wan of information. If Boots had not taken over Ward White it would now be the darling of the retail sector. It is less clear where its growth would come from in the longer term, especially after the up-market shift at Boots the Chemist had been taken to its limits.

At 254p the shares are on ebout 10 % times this year's earnings. This looks sustainable on the group's traditional strengths alone; if the Ward White strategy pays off, they are undervalued.

Rothmans Int'l

There was an era wheo ves-terday's share price of 11 times earnings would have seemed inconceivable for Rothmans: partly because of its tobacco content, partly owing to insti-tutional shareholders' unease with its ownership structure. Judging by interim pre-tax profits up 21 per cent at £189m, the multiple is well-deserved, improvements and more to come from its rationalisation programme. It is ironic, then, that Richemont's move to take full control of Rothmans has now made the group's future something of an enigma again; the market needs some guidance on Richemont's strategy pretty soon.

to relax Polish import quotas

By David Buchan in Brussels

THE EUROPEAN Commission the 24 Western aid donors is asking EC governments to involved in helping Poland and is asking EC governments to egree to enlarge textile and steel import quotas for Poland and Hungary, and to give the two reformist states temporary preferential access to the Com-munity market for a range of other products.

The proposals, to he put before EC Foreign Ministers on Monday, go heyond recent Community trade concessions, which mostly accelerate directed at Poland and Hungary, without putting them on a better footing than many non-communist exporters to

As it prepares today to bost for however long it takes another meeting in Brussels of Poland and Hungary to

Hungary, the EC executive has announced plans to:
O Exempt for an initial year

Poland and Hungary from quota restrictions on a wide range of goods, from minihuses, to shoes, to toys. These are called "non-specific" quo-tas because they affect a hroad range of countries and are not limited to state-trading coun-tries of the East.

Exemption would give Poland and Hungary an advan-tage not only over their Comecon brethren, hnt other exporters to the EC. This exemption "could be extended

restructure their economies," EC officials said yesterday. Increase quotas for Polish and Hungarian textiles and clothing which the Community imposes under the internetional MultiFihre Arrange-ment. Warsaw has asked for a 44 per cent increase - worth some Ecul50m (\$168m) or Ecul60m a year - in its quota. Budapest has requested a 16 per cent rise (Ecu50m), and the commission wants a mandate from EC governments to start negotiations on these demands. Phase ont the national quotas which West Germany, Italy and the Benelux countries still impose unilaterally on Polish and Hungarian steel. The two

negotiate with the Commission over their overall ateel shipments to the EC, as other exporters including the US do.
The Poles and Hungarians do not fulfil their current steel quotas in the varioua EC states, but higher quota limits would help them either as their economies pick up or if they chose to divert shipments away from Comecon partners for hard currency sale in the

However, the Commission this week deferred consideration of infrastructure loans to Poland and Hungary from the European Coal and Steel Community in order to take prior action to improve the two

Inquiry ordered into Indian poll violence

By K.K. Sharma in New Delhi

AN INQUIRY is to be held into election violence in the Amethi constituency of Uttar Pradesh where Mr Rajiv Candhi, the Indian Prime Minister, is pitted against Mr Raj Mojan Gandhi, grandson of Mahatma Candhi and the Janata Dal candidate. No decision has yet been made on an opposition demand for

re-polling there.

The violence at Amethi included the shooting of the local Janete Dal leader, Mr Sanjay Singh, who was critically ill after being wounded in the stomach. Forty-six people died during widespread violence which erupted in a num-her of constituencles on Wednesday, the first day of the

elections.
Unfair election practices were alleged at Amethi, one of tha main trouble spots. Count-eraccusations of violence and dirty tricks were made hy members of the ruling Con-gress Party at a press confer-ence held hy the party's spokesman Anand Sharma. Further violence is feared elsewhere during today's secondphase polling. The final phase will be on Sunday. The wounded Mr Sanjay

countries would then be able to

Singh is related to Mr V. P. Singh, president of the Janata Dal, and is a sworn foe of Mr Candhi. Apart from the shooting of Mr Singh, the Janata Dal alleged that many polling booths in Amethi were seized hy Congress workers and bal-lot boxes stuffed.

The inquiry was ordered by the Election Commission after Mr Venkataraman, the Indian President, expressed disquiet. The President's intervention is significant since he is expected to play a crucial role in the formation of the next Government if, as is widely expected, no party gets an absolute majority.

The Election Commission has ordered fresh polling in as many as 578 hooths in six states.

Lebanese MPs set to elect new president

By Lara Marlowe in West Beirut

LEBANESE MPs were again summoned to northern Lebanon yesterday in an attempt to elect a successor to President Rene Moawad who was assassinated in West Beirut on Wed-

Mr Hussein al-Husseini, the Speaker of the Parliament, sent 19 telegrams to deputies residing ahroad, appealing to them to repeat the journey they made on November 5.

"Each one of us is Rene Moa-wad," Mr Husseini said. "We have the absolute duty to pur-sue the peace process until the salvation of the country." Mr Husseini spent the night in Damascus, where he con-

ferred with Syrian officials. Forty-three deputies trav-elled through the Bekaa Valley in an armed convoy to the northern Lebanese town of Zgborta wbere Mr Moawad's funeral is scheduled to take

place tomorrow.
A quorum of 48 deputies is needed to hold the election, which is expected to take place over the weekend either at Qlaiaat air force base or at the Maronite Patriarch's summer residence at Dlman, both in northern Lebanon.

Dr Selim al-Hoss, the late President's Prime Minister-des-ignate, talked by telephone with President Hafez al-Assad of Syria and the members of the Arah League's tripartite committee on Lebanon, King Fahd of Saudi Arabia, King Hassan of Morocco and President Chadli Benjedid of

Algeria
There is a consensus among Lebanese leaders and the Arab League that a successor to President Moawad must be found quickly if the peace process is to be salvaged.
"Unless we elect a new presi-

dent within 24 hours, or at the most in a few days, we shall enter a period of hell," Mr Walid Jumblatt, the Druze leader, said in Damascus. One Maronite deputy who

had been e candidate said, "I won't play this lousy game." Nearly every political and religious leader in the country-publicly deplored the assassi-Lehanese warlords andre-

gional powers implicated in Lehanon's strife lost littla timem blaming one another for Mr Moawad's death. In Iraq, government-con-trolled media accused Iran and

Syria of masterminding the explosion which Moslem Lebanese army intelligence offi-cers described as "more than professional."

mourning.

the past two years. This has led to hig percentage increases for 16 and 17-year-olds explosives and wire it with a highly sophisticated remote control device.

Mr Jumhlatt accused Iraq, which has supported Gen Aoun inhis "war of liberation" against 40,000 Syrian troops in Lebanon, of ordering the killing, while the National Front - of which Mr Jumblatt and Mr Nabih Berri, the Shia Moslem leader, are members – di-rectly blamed Gen Aoun. Moslem West Beirut - and Damascus - began a week of

Mr Moawad had been a Chemr moawad had been a Che-habist – a disciple of Gen-Fouad Chehab, who was Presi-dent of Lehanon from 1958 until 1964. The three main tenets of *Chehabism* are understanding between Moslems and Christians, the modernisation of Lehanon and opening towards the Arab world.

Several hig multiple retail groups this year increased youth wages substantially to attract recruits. Boots, the big pharmaceutical chain, raised

rates for 17-year-olds between 13.5 and 15 per cent, and the Tesco supermarket group raised rates for 16-year-olds by 22 per cent.
This is the third year of substantial youth pay rises in the UK. In the 1987-88 year, earnings of full-time males under 18 rose 42.1 per cent. Pressure

on youth rates is likely to con-tinue with the fall in numbers up to 1995. Boys ander 18 working full-time earned an average of

£94.70 (\$149) a week in the year surveyed, while girls of the same age earned £90.20. Earnings rose with age to a peak for men between 40 to 49, who earned a weekly average of £309.10. New Earnings Survey. HMSO.

They estimated that it had taken two days to fill the small disused shop with 550lbs of Editorial comment, Page 20 EC to ease takeovers

Continued from Page 1 the use of bearer, or unregistered, shares.

The role of the West German banks as depositories, sbareholders and board members is also a barrier. In countries such as France,

and to a lesser extent Italy, protectionist government poli-cies are also found to be a barrier to takeovers. The report notes a tendency by the French Government to delay foreign hids to wait for a more acceptable alternative to emerge, or to protest over "non-EC ownership," when the bidding company had non-EC minority shareholders.

The report calls on the Com-

mission to act to remove these technical barriers. It notes that such action might stop countries which still do not have a takeover culture - and hence bave no such barriers - from

erecting them. However, it is cautious about the effect of future EC legislation in opening the market. It notes that although legislation covering some of the issues has been put forward by the Commission, progress towards its implementation is being frustrated by the divergent views of member states. It warns that were legislation adopted, it is doubtful whether member states would force their companies to comply.

WORLD WEATHER

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British trade deficit falls

Continued from Page 1 year's £20.8bn visible trade

gap. Sterling was slightly steadier after having fallen sharply earlier in the week because of Britain's continued high inflation rate and uncertaintles among international investors about the leadership contest in

Against the D-Mark, the pound closed '4 pfennig higher at 2,8375. But it eased slightly to \$1,5620 in quiet US Thanks giving Day trading, while the Bank of England'a trade weighted sterling index closed

Equities put on a more impressive show, albeit in quiet trading. The FT-SE 100 index advanced strongly on news of the the figures to close at

2220.5, up 28.2 points. The opposition parties, however, were unimpressed by the figures. Mr Gordon Brown, Labour's trade and industry spokesman, said Britain was clearly at the bottom of the European league for trade" with a trade deficit of £2.5bn in electronics and information

technology alone.

Mr Matthew Taylor, the Liberal Democrat trade and industry spokesman, said: "It illus-trates bow bad things are when ministers are delighted by a £1.54bn monthly trade deficit."

Accord on IMF resources

Continued from Page 1

tional affairs.

Mr Micbel Camdessus, the ticularly to help close friends of the US, such as Mexico and called for a doubling of quotas to enable the fund to play a full role in the world economy, while at least 15 of the fund's responding to the reform programmes, and economic

The US has been reluctant to ish Government. commit itself so far because of The US is apparently willing Congressional pressures and to join in the negotiations as "a suspicion of the IMF. Seven matter of priority", but there is Republican senators and 17 a very tight timetable for talks members of the House have to be completed by the end-ofwritten this week to Mr Nicho-las Brady, the Treasury Secre-tary, urging him not to commit quotas is tied in with a review

increase at present. burden of bad dehts of develop- the order. ing countries from private banks to the US taxpayers.

to the IMF's margin of unused Germany, now third, and resources and question its France, now fourth. The IMF record. Their letter underlines staff's solution is to have an the problems which any large order of the US first, Japan and quota increase would face in West Germany second equal, trying to gain approval in Con- and then France and Britain

reduction plan launched last part of the budget.

22 executive directors, including West Germany, have supported a quota rise of two-thirds.

23 executive directors, including rammes and economic in Eastern restructuring in Eastern Europe. A fund team is currently negotiating with the Pol-

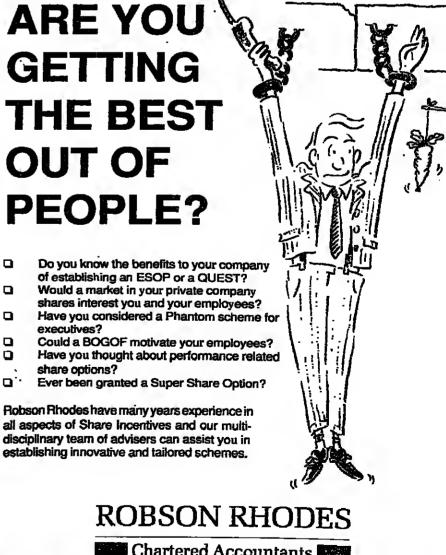
the US to the proposed quota of relative shares and voting increase at present. Their letter expresses con- Japan's demand to take over cern about transfarring the second ranking from Britain in

anks to the US taxpayers.

The problem in the reshuffle is determining where Britain would stand relative to West

The US Treasury has been A 35 per cent increase in careful to express its support quotas would boost the Interfor a quota increase in guarded national Monetary Fund'a terms. It has sought to maxim-resources by roughly \$40hn ise its domestic political appeal from the present \$115km, of by linking a quota increase which the US would contribute with the IMF's ability to partic-ipate in the Third World deht commitment will not count as

Postcode:



Chartered Accountants

For further information Rhodes, 188 City Road	, please call Nigel Frudd on 01-251 16 I, London EC1V 2NU.	644 or write to him at Robson
Name:Address:	Company:	



FINANCIAL TIMES COMPANIES & MARKETS

Friday November 24 1989



INSIDE

and March

Rosehaugh bid rumour pricked

Rosehaugh, the sprawling UK property group led by Mr Godfrey Bradman, announced profits of £36m, up from £30.38m. The company's detailed explanation of the results demolished speculation that it had been negotiating a takeover by Olympia & York, the Canadian group which is developing London's Canary Wharf. With this, and warnings from Mr Bradman of more difficult conditions for properly companies, Rosehaugh's after price fell by 33p to 521p after rising 94p over three previous consecutive trading days, Page 32

Two of a kind



Denmark's two biggest banks, Den Danske Bank and Copenhagen Han-delsbank, have never missed an opportunity to emphasise-their differnces. It tharefore came as a complete eurpriee last week when these arch rivals, trumpeting

announced they had merged. Separately, both banks were struggling to keep pace with the growth of the biggest industrial companies. Together, they hope to be big enough to pley a role as a European regional bank. Page 24

Starved of capital

Africa's peasant farmers are the focus of a continuing battle to feed the continent's soar-Ing population. But they are themselves suffering a sort of starvation — tack of nperating capital, Bankers at a recent meeting of central bank governors in Abuja, Nigeria's new capital, acknowledged that they had not been doing as much as they could to help solve this prob-

Streetwise investors



The individual investor in the US is often portrayed as a helpless victim of large institutions, manipulative brokers and whip-sawing stock markets. But this is not necessarily so. Compa-nies that deal extensively with individual inves-tors say they are well-educated, widely Informed and deeply aceptical of swallowing huy-and-eell advice from brokers. Janet Bush reports, Page 44

Banks seek out the German rich

The averege West German is better paid than most of hie European counterparts and is much more likely to save. It le understandable, therefore, that private banking for the wealthy plays en important, though often overlooked, part in the country's financial system. While such services have traditionally come from a select breed of small private banks, usually based in affluent centres like Hamburg or Munich, Interest has recently widened to include some of the country'e biggest universal banks. Page 29

Market Statistics

Base lending rates Benchmark Govt bonds European options exch FT-A indices FT-A world indices FT int bond service

Landon stare service London traded options London tradit options Money merkets New int. bood issues World commodity prices World stock mkt indices 49-41 25 29 42 29 34 43 30 36-39 424244B4

Companies in this section

American Barrick Anglo American Aukett Associates Banco Com. Portug Bay Financial Bexbuild Devs Black Arrow British Gas Buhrmann-Tetterode CCL Industries Cablecasting Calor Caspen Oil Chancery Chancery
City Gate Estates
Classic Tho ghbreds
Copenhagen H.bank
Daido Concrete
Den Daneke Bank

Farrari Holdings

39 Grampian Television 27 HMP 30 Harrisons Malaysian 28 IWP International 27 Kewill Systems 2733225125023022503024233530351 11 Lac Minerals
14 Ladbroka
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17 Micklegate 30 Mid Kent 30 Morland 30 Morrandy Resources
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43 Rickmansworth Water 33 Rickmansw 30 Roseheugh 32 Rothmans Inti 31 SAUR Water Services 34 Sandvik 27 Scottish Invit Trust 24 Sidlaw 32 TR Property Inv Tat

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Hard cell in New York

Roderick Oram reports on McCaw's tenacious bid for LIN

he setting was grand, the technology shabby when Mr Wayne Perry, vice chairman of McCaw Cellular Communications, stood up this week to tell a New York audience his company could win control of LIN Broadcasting, and subsequently save the fledgling US cellular telephone industry.

"Boy, am 1 glad our cellular service works better than this," he said, as someone tried to coax

he said, as someone tried to coax life out of the sumptuous hotel's slide projector and microphone.
"Not in New York it doesn't,"
quipped a member of the audience, to knowing laughs from
analysts and investors around

him. Mr Perry grinned hroadly. McCaw, 22 per cent held by Brit-McCaw, 22 per cent held by British Telecom, wants nothing more
than to get its hands on LIN's
franchises in New York and
other major cities — stuck with
reputations for poor service — to
show bow good cellular telephone networks can be.

LIN, though, is trying to evade
McCaw by merging with the cel-McCaw by merging with the cel-bular operations of BellSouth, tha

largest of the traditional "wire-line" phone companies created five years ago by the break-up of AT&T. As the fight has dragged on, the rhetoric has escalated. "It's taken on something of a crusade," Mr Craig McCaw, founder and chairman, said in a recent interview at the company's suburban Seattle headquar-

Widely admired in the industry and on Wall Street for pulling together the higgest spread of ter-ritories at bargain prices before anyone else realised the full potential of cellular, Mr McCaw is publicity shy. Up to now he refused to give press interviews,

preferring to let his company's actions speak for him. So why start talking now?

"We think the public needs to know that BellSouth is trying to kill the prodigy," he says. Cellular technology can hreak the century-old stranglehold wire-line companies beve bad on telephones, he explains. It can offer greater convenience at reasonable cost. Ultimately, he believes. greater convenience at reasonable cost. Ultimately, he believes, hand-held machines will pull in voice, data end pictures anywhere in the world.

The next practical step toward such a utopia is to create a seamless national cellular telephone network in the US, one just as easy and expansic to use as the

easy and economic to use as the wire-line system and fully competitive with it. Such a service, bowever, may not emerge because BellSouth and some of its six sister regional Bell operating companies (RBOCs) are abusing their cellular power to protect their huge wire-line husiness, Mr McCaw and some others in the industry argue.

Rather than create a national system at the outset, the US Government began awarding in the mid-1980s two cellular licences in each metropolitan and rural area. One went automatically to the local monopoly wire-line competitive with lt. Such a service,

local monopoly wire-line com-pany, the other went, through competition, to an independent like McCew.

The resulting mosaic has been simplified a lot in the last couple of years by horse-trading and frantic takeover ectivity among the players. But regulators have allowed the Bells to acquire franchises of independents overtide. chises of independents outside their wire-line territories.

Thus, in many cities, one cellular service is provided by the their wire-line territories.

If LIN merges with BellSouth's cellular operations, Bell compa-



local Bell, and the other by a

A few of the Bells, most notably Southwestern Bell, are willing to pusb ahead with cellular even at the expense of their wire-line husiness, McCaw execu-tives say. But others, most nota-bly BellSouth, are giving it less than their best shot.

The true cost, for example, to e Bell company of connecting e cellular call to a local wire-line phone is less than 1 cent a minute, says Mr Paul Stolz, McCaw's vice chairman for reguletory affairs. But Bell companies are charging McCaw anywhere from 2.4 cents to 17 cents, he says.

cCaw believes it is the only company with any hope of challenging the obstructionist Bells and leading the other independents in banding together to form a national network. But to do so, analysts say, it needs LIN's licences in New York, Los Angeles, Dallas, Houston and Philadelphia to bring critical mass to its own cCaw believes it is the

nies will control areas containing 95 per cent of the population in the 10 largest US cities. If McCaw wins control of LIN, the RBOCs will have only 75 per cent.

LIN's licences are both its for-tune and misfortune. In just a few years they have turned it from e small-time broadcaster into the object of e \$6.8bn takeover battle. But they have made it the subject of much criticism. "People say things about LIN that would make a French sailor hlush," said Mr Herschel Shosteck, e cellular industry consul-tant. He and others argue that LIN has gone for short-term profit rether then invest in

enough equipment. The result is enough equipment. The result is lots of frustrated subscribers.

LIN disagrees. "We're the equal or better of our competition," says Mr Michael Plouf, the company's spokesman. There are difficulties in coping with the technical challenges of high customer volume and tricky terrain in Los Angeles and New York. Those conditions make them, along with London, the hardest-

along with London, the hardest-to-serve cities in the world, he says. However, the weight of industry opinion appears to be against LIN. "Its cities urgently need the McCaw treatment," says one Wall Street analyst. In contrast to LIN, McCaw bas e reputation for spending enough money to keep its bigb quality capacity ahead of quickly growing

hree factors have trans-formed McCaw's finances this year. British Telecom paid \$1.2hn for its stake, Contel agreed to pay \$1.3hn for some McCew territory in the south-eastern US and operating revenues are building rapidly. If It pays \$3.4bn to increase its small stake in LIN to 51 per cent, it estimates it will have \$2.7bn of deht hut more than \$2hn of book equity - mainly from the market value of its licences.

While McCaw never underesti-mates the power of BellSouth, it believes it will eventually win LIN because of its complete faith in a cellular future, unlike the hig Bell company. As Mr John Casamassina, McCaw's vice presi-dent of Florida operations, says: "This is our future, not a decimal point on our balance sheet."

focuses on takeover rules By George Graham in Paris WITH ONE week to go before its closure, the FFr25.8hn (\$4.13hn) takeover bid by French invest-ment hank Peribas for Compag-

Navigation

Mixte bid

ment hank Peribas for Compag-nie de Navigation Mixte, the food to financial services conglomer-ete, has developed into an argu-ment over the proper application of France's new takeover rules. Over the past few days, Pari-has has repeatedly called on the French stock market authorities

to intervene egainst what it views as an ohvions concert party organised by the Naviga-tion Mixte management to defend against its bld.

The group argues that a small group of Navigation Mixte share-bolders is systematically buying shares et e price slightly above its offer price of FF71,850 a share. Neither the Conseil dcs Bourses de Valenrs (CBV), the stock exchange council, nor the Commission des Opérations de Bourse (COB), the market policies extheries has yet accented.

Bourse (COB), the market policing euthority, has yet accepted Parlhas's arguments.

But the CBV has written to five Nevigation Mixtc holders, owning between them 31.5 per cent of the company, reminding them that if they were to act in concert they must make a public hid on reaching the legal thresb-

old of 33.33 per cent.
Four of the five sharebolders
are represented on Navigation
Mixte's board: Crédit Lyonnais,
Société Générale, Framatome and Allianz. The fifth is the construction group Bouygues, which took its stake above 4 per cent last Friday by huying e large block of shares for FFr630m. Mr Pierre Béregovoy, the

Finance Minister, said yesterday that he viewed this as the right approach, since the shareholders could not be eccused of acting in concert on the basis merely of suspicion, or of assumptions about their intentions. Paribas's bld for Nevigation Mixte is the first to take place under the law on takeovers that came into effect last summer and refines the notion of concert

party action.

Many French stockbrokers are partly convinced that Paribas, which currently holds just over 20 per cent of Navigation Mixte, will not obtain an outright majority in its bid. However, others sey that if undecided shareholders think the bid will fail, they are likely to try to sell of the current share price, and this could bring the shares down below Paribas's offer. This could prompt a last-minnte wave of

The result of the hid is unlikely to be known before December 20.

BP sells South African coal interests to Amcoal

By Steven Butler in London and Jim Jones in Johannesburg

BRITISH PETROLEUM yesterday sold its South African coal mining interests to Anglo American Coal (Amcoal), South Africa's biggest coal company, for R590m (\$25m) as part of an asset-disposal programme that looks set to exceed \$6.5m this year.

The sale includes BP's 88.5 per cost interest in the Middelburg

cent interest in the Middelburg Mine Joint Venture and a 12.7 cent interest in the Richards Bay Coal Terminal.

BP retains its involvement in South African oil refining and marketing, and the coal sale is not part of any programme to withdraw from the country.

By Tim Dickson in Brussels

(BBL), one of Belgium's bigge

BANQUE Bruxelles Lambert

commercial banks, yesterdey posted a 20 per cent increase in

1988-89 profits. But it warned shareholders that it is heading

"for more difficult years."
Mr John Dils, who is stepping down as president next February

in favour of his fellow director and beir epparent, Mr Theo Peters, said he would be happy if BBL managed to maintain its

profits in the current 12 months.
This is despite hopes "that
interest rates have peaked and

will now start to come down", as well as a belief "that the margins

we can make on foreign curren-cies will be a little bit better."

to have to be a year when we invest for the future, notably in

By Maggie Urry in London

BOOTS, the UK retail and pharmacentical group which spent £900m (\$1.4bn) on buying Ward White, the do-it-yourself

and anto parts retailar, in

August, Has announced interim results demonstrating the

Group pre-tax profits for the six months to September 30 rose

hy 20.8 per cent to £159.9m, on turnover 12.8 per cent higher at £1.4bn. Within that, the Boots the

Chemist chain saw a 29.2 per cent

profit increase to £62.9m, overtaking the pharmaceutical division

which contributed £54.0m

(£50.9m). The company's shares were unchanged at 254p. Sir James Blyth, chief execu-

tive, said that Boots continued to

buck the trend in retailing. How-ever, the takeover of Ward White

would dilute group earnings in

On the pharmaceutical side, he reported that Boots was to con-

the current year.

strength of its chemists chain.

Mr Dils added: "This is going

BP put its worldwide coal business on the market in June and ness on the market in June and last month sold its Australian coal business for \$275m. Still to be sold are European coal trading interests, undeveloped lignite reserves in Northern Ireland, and a US coal business that last year produced 16.2m tonnes, or 56 per cent of the volume of the entire cent of the volume of the entire coal business

BP said yesterday it expected to sell the remainder of the coal business by the year end. Sale of the coal business is part of a broader strategy aimed at focusing on BP's core oil and gas business and selling assets to

Banque Bruxelles lifts profits by

technology."

A failure to increase profits in

1989-90 would bring to an end five years of steady growth. This cul-

minated yesterday with the announcement of a 19.9 per cent jump in consolidated net profits

to just over BFr6bn (\$154m) for the 12 months ended September.

Net profit after transfer to untaxed reserves rose 23.1 per cent to BFr4.9bn, while adjusted

profit per share was 10.2 per cent higher at BFr433. It is proposed

to increase the dividend hy 9 per cent to BFr136 per ordinary

Meanwhile, BBL's balance sheet total advanced by 11.3 per cent and now stands at more than BFr1997bn.

Yesterday the group pointed to last 'year's background of a

Boots mid-term profits rise 21%

tinue with clinical trials of Mano-

plax, a new drug for congestive heart failure. In September, the company revealed that initial

results from one trial had not

been good. Yesterday it said fur-ther analysis of those results

Mr Robert Gunn, chairman, said: "I am confident that, unless

the UK economic climate wors-

ens to an extent not presently

foreseen, the company will con-

tinue its pattern of success." Boots the Chemist added over 1

percentage point to its gross profit margins. That, said Sir

James, was the root of the

chain's success and "there is still much more to come."
He said the chain bad

increased its market share in the

competitive toiletries market to

The group's other retailing activities fared less well, though.

Ward White contributed £7.2m of

over 25 per cent.

proved more encouraging.

20% but warns of a slowdown

hring down deht. BP has also aggressively bought and sold oil assets in an effort to rebalance its exploration and production portfolio. Sales agreed so far this year

include shares of the North Sea Magnus field for \$257m, BP Min-erals for \$3.6m, a package of UK and international oil assets sold to Oyrx Energy for \$1.3hn, roy-alty interests in the Prudhoe Bay oil field for \$543m and coal assets

BP's interest in Middelburg goes back to the days of the oil crises when the South African Government allowed the oil

"booming economy, both in Bel-gium and abroad," and cited the

growth in corporate investment increesed international trade

and the rise in private income as

reasons for the growth in credit. Better volume to a large extent

offset the narrower mergins which the group suffered as a result of stiffer competition and the "gradual rise in interest

But sundry income - mainly commissions - rose sharply, con-firming, as BBL sees it, the wis-dom of its strategic push towards

financial products and services.

Mr Dils said the group faced
"two to three difficult years", but

he rejected suggestions that staff pruning would be needed as new technology was introduced into group operations.

profits between August 22 and September 30. Boots Opticians

saw e fall in profits from £1.7m to £1.0m, which Sir James attri-

buted to the ending of free sight

tests. He said Boots Opticians was doing better than other

The group's Children's World chain of 18 out-of-town shops, increased sales from £10.1m to

£16.7m, hut losses rose from £2.8m to £4.1m. Mr Nell Wilkie,

finance director of Children's World, has left after trying to

The UK pharmaceutical divi-

sion saw a profit downturn, from £20.9m to £18.7m. But the newly-formed property division made

£28.9m (£24.1m), of which £9.7m

(£7.4m) related to disposals. Earnings per share were np 19.4 per cent to 11.7p (9.8p), and the interim dividend is being

raised by 10 per cent to 3.85p.

mount a management buy-out.

chains of opticians.

majors to acquire coal interests in apparent exchange for unoffi-cial guarantees that crude sup-plies would not be disrupted.

Middelburg produces about 5.5m tonnes of coal a year - slightly more than one eighth of South Africa's export total - and is managed by Douglas Colliery, subsidiary of Rand Mines. ing 11.5 per cent sbareholding in Middelhurg, has a pre-emptive right to boy BP's interest and must decide within six weeks whether to match Amcoal's offer or let its right lapse.
Amcoal exports about 12m

tonnes a year while Rand Mines' collieries export slightly more

than 9m tonnes,
in a separate chain of related
deals, BP and Shell have sold
their 34 per cent interest in the
Trek filling station chain to Geucor, the country's second-largest
mining house, for R106m. Trek in
turn has sold to BP and Shell its
50 per cent interest in the lubri-50 per cent interest in the lubricants manufacturing business of South African Lubricants Manufacturing for R40m, while acquiring BP and Shell's 30 per cent interest in Chemco for R3.4m, bringing its interest to 100 per

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INTERNATIONAL COMPANIES AND FINANCE

Poliet bids FFr2.14bn to control Lambert Frerès

By William Dawkins in Paris

POLIET, the diversified French building materials group, has launched a complex FFr2.14bn (\$343m) takeover for Lambert Freres, the supplier of plaster, tiles and other construction products which recently returned to profit.

This is the second big sporoach in the active French takeover market to involve Paribas, the investment bank, which owns 33.7 per cent of Paribas is separately aiming

for control of Navigation Mixte, the food-to-financial services conglomerate. Poliet already has options to buy 50.9 per cent of Lambert's shares from Omnium Financier de Paris (OFP), a subsidiary of

strong profits growth with pre-tax figures of £15.04m (\$23.4m)

for the year to end-September,

Yesterday's results showed the continued buoyancy of the sector during the period, but a warning that advertising

growth rates were now slowing down prompted Capital's

shares to fall sharply from

1,013p to 973p. Sir Richard Attenborough,

chairman, said that the main source of the improvement

during the period was the strength of advertising for Cap-ital Radio, the company's flag-ship station, which increased

revenues by 18 per cent over the period.

an increase of 62 per cent.

Total-CFP, the oil group.
The building materials company is offering FFr535 per share for all of Lambert Frères' capital, a 6 per cent premium over the FFr505 share price before deslings were suspended by the stock exchange on the announce-

OFP acquired earlier this week the rights to a crucial 28.7 per cent block of Lambert Frères' shares from Société Financière et Industrielle Gaz et Eaux, s holding company which forms part of the Lazard

ment of the bid.

banking group.

OFP bought 9.5 per cent of the Gaz et Eaux block and has the purchase rights for the rest. Added to the 28.7 per cent

Capital Radio surges by 62%

CAPITAL RADIO, the UK's ever. Capital has seen a slow-largest commercial radio combany, continued its record of ticularly from the retailing section. In particular, Capital would be about the particular of the

down in revenue growth, par-ticularly from the retailing sec-tor which has been hit by the

effects of increased UK interest

As a result, Capital does not expect the high revenue growth rates experienced over the last two years to be sustained over the next few months but said that in the

longer term there remained "a

considerable upside to radio

consideration."
Capital said it will be "giving serious consideration" to bidding for one of the new

national commercial radio

franchises proposed under leg-islation to be discussed in the

current parliamentary session. But it said it was "not yet con-

Sandvik stagnates despite a rise in sales of Lambert Frères which OFP

in Stockholm

already owned, this gave the

Total unit 57.4 per cent before

Poliet, which has a minority

stake in Ciments Français.

France's second largest cement

producer, produced a net profit of FFr640m on sales of FFr12.2bn last year.

lossmaker until Mr Allain

Clarou, former chief executive of Gaz et Eaux, took over as chairman in 1986 and engi-

His company is expected to produce a FFr120m profit on sales of FFr5hn this year, against the FFr20m loss it made on sales of FFr1.6bn in

expansion."
In particular, Capital would like to see market share restrictions defined in terms of total advertising revenues or total audience instead of the

BA's current system of total potential audience coverage. Under the present criteria, Capital's London base means it automatically reaches the limits on ownership of stations.

Turnover for the period as a

whole increased from £30.45m to £36.57m and earnings per

share rose to 62.1p (37.2p) The final dividend is doubled again.

to 12p, giving a total of 18p

(10p).
The company has proposed a share split, sub-dividing each

ordinary share of 10p into four ordinary shares of 2.5p each, to

neered a spectacular revival.

Lambert Frères was a heavy

the deal with Poliet.

SANDVIK, the Swedish cemented carbide and special steels group, yesterday reported stagnating profits (after fluancial items) of SKr654m (\$101.7m) for the third quarter compared with SKr652m a year earlier, Sales rose to SKr4.29hn from

SKr3.92bn, though.

Mr Per-Olof Eriksson, group
president and chief executive, said: "the generally weaker state of trade and declining nickel prices are beginning to retard the growth of Sandvik's involcing." But he added that Sandvik expected involced sales for the whole of 1989 to

be at least SKr18.5bm.
Mr Eriksson said the group's earlier forecast of "a marked hefore appropriations still held good. Nickel prices will clearly determine whether the profit hasfore non-recurring items outruns last year's fig-

ure of SKr2.75bn.
Sandvik reported a 13 per cent improvement in its profcent improvement in its profits to SKr2.14hn from SKr1.87bn over the whole of the first nine months of the year. Earnings per share after estimated full tax came to SKr24.50 compared with SKr19.40 for the same period of 1988. The return on investment in the last welve months was 35.3 ner cont

months was 25.2 per cent.
The company also said the general business slowdown that first began in North America was continuing, although there was still a strong demand for its products in investment-related sectors

of industry, particularly in Japan and West Germany.

The group achieved a 17 per cent growth to SKr13.780bn from SKr11.808bn in the first nine months of the year in its hyprical cales with a 15 per invoiced sales with a 15 per cent improvement in Europe, except for Sweden where there was a drop of 18 per cent.
In its product areas Sandvik said that there had been a 24

SKr3.88bn and a more modest

13 per cent growth in its cemented carbide division to SKr7.11bn from SKr6.32bn.

expansion. per cent increase during the first three quarters in its steel division to SKr4.98hn from

Rivals accentuate the positive

ith 77 commercial banks, not to men-tion about 150 savings banks, to serve a population of 5.1m people, Denmark is heavily overbanked. Perhaps more significantly, the higgest banks have failed

to keep pace with the growth of the biggest industrial com-panies, which must therefore split their business between more than one bank.

Mergers between the larger banks were expected (and new ones are expected in the near future) but it came as a com-plete surprise last week that the first to get together were Den Danske Bank and Copen-hagen Handelsbank. It was not so much that it is

a case of the two higgest get-ting together, but that they are

arch-rivals, who have never missed an opportunity to emphasise their differences. But with rivalry consigned to history, the top manage-ments at each are emphasising the similarities. Mr Knud Socrensen of Danske Bank, who will alternate with Mr Hans Ejvind Hansen of Han-delsbanken as chief executive of the new bank, which will be called Den Danske Bank (but called Den Panske Bank (but will retain the Handelsbank logo), said: "I don't want to hear any more about supposed 'cultural differences.' We are two very similar banks, per-haps with slight differences in

employees have the same edu-cational background." . Mr Hansen, who conducted the mergar negotiations together with Mr Soerensen,

management style, but all our

said: "The banks have used different expressions, hut when we have looked at the content of the words, we have found that there is not much real difference. The important thing now is that the directors are in agreement, and they are pass-ing this on to their staffs."

The starting point for tha merger may one day be dated to Mr Hansen's arrival at Handelshank two years ago as chief executive-designate. Ha

mapped out a three-point strat-

egy for the bank: to get its own house in order after a troubled period; to take the lead in the structural reorganisation of the banking sector, which everyone agreed was necessary; and to become hig enough to play a rola as a European regional bank.

The next stage was outlined by Mr Soerensen. "We have the size and weight to make us attractive as partners for domestic and foreign husinesses, and we emphasise that we have not reached the end with this merger. Wa shall

group, although so far it is sticking to its independence. "We also hope for alliances with other financial service

sectors, such as the insurance companies and mortgage credit associations," said Mr Soeren-sen. "The final element is to become stronger abroad than was possible for the two banks separately."
This means that the subsid-

Hilary Barnes examines the unexpected merger of the very different Den Danske Bank and Copenhagen Handelsbank

grow further."
The new Danske Bank has equity capital of DKr19hn (\$2.6bn) and a balance sheet of DKr300bn, which ranks it 30th by equity and 45th by balance sheet in Europe. Danske has a 30 per cent stake in Aarhused Provinsbank (under Danish law it may not increase the stake any further), with a bal-

iaries in Luxembourg, London and New York will be merged, although no formal decisions have yet been taken.

There is considerable scope for retionalization in the

for rationalisation in the domestic market. The two banks have said they expect to reduce employment, now about 12,000, hy about 10 per cent in the next two to three years and between 50 and 100 of the banks' 550 branches will disap-

But Mr Soerensen did not see further staff reductions.
"We think we are sufficiently attractive to be built for growth, and if we can slim the staff over the next two years hy about 1,000 we shall have a

productivity which more than matches any other Danish bank," he said.

Taking the best from both banks — and appointing the best people regardless of which bank they came from — will be

ance sheet total of about the principle on which the merger is carried out. This means, for example, that Handelsbank's de-concentration into regional centres will not be perpetuated, but its concept of developing selected banks as "business centres" will be

taken over. The computer systems of both banks are IBM-based, but the solutions are inevitably different. Getting the systems to mesh is one of the crucial tasks which faces the banks. "We must be stable on the data processing side, otherwise we

shall lose business to competi-tors," said Mr Socrensen. The other point which the two chief executives emphasise is that the process of merging must not be allowed to slow down the bank's business tempo. Winning business must

take highest priority.

Mr Hansen admitted in a moment of indiscretion that after a tough day at the bank after a tough day at the bank
he likes to relax with Herge's
"Tin-Tin." There are a lot of
other bankers in Copenhagen,
green with envy, who echoed
Captain Haddock's favourite
exclamation, Mille schords! when they heard the news of

the merger. Mr Soerensen's favoured bedtime reading is biography. Historians can have fun deciding which was the greater source of inspiration for the creation of the new hank, "Tin-Tin" or history's great personages — and Den Danske runs a risk of becoming known as the bank which is run by Captain Haddock and Knud the Great. Millem mille sabords!

re period. Since the end of June, howing bill will afford us all the Bührmann registers strong growth

By Our Financial Staff

BUHRMANN-TETTERODE, the largest Dutch packaging products mannfacturer, boosted its net profit in the first nine months of 1989 by 35.7 per cent to FI 132.3m (\$66.1m) from F197.5m a year

Earnings per share rose 14.8 per cent to FI 4.18 from FI 3.64

a year earlier when there were 18 per cent fewer shares outstanding than at present. Sales rose 16.1 per cent to F13.78bn from F13.26bn a year earlier, and by 13.8 per cent if

Bührmann said it had "prog-ressed well" in the third quar-ter. It said the capital goods division that manufactures graphic equipment, business antomation systems and other acquisitions and disposals are ignored. The rise reflected strong underlying husiness specialty machinery experi-enced "strong demand" from customers, especially in the graphics sector.

Portuguese bank boosts capital

By Patrick Blum in Lisbon

BANCO Comercial Portugues (BCP), Portugal's leading pri-vate bank, will double its share capital next month and offer shares to two foreign financial institutions for the first time.

The increase is designed to strengthen the bank's position on the Portuguese market and help its planned international BCP has invited Hypothek-

enbank of West Germany and Banco Popular Español of Spain to take up to 1.5 per cent each of its new capital. BCP hopes this will lead to close co-operation with the two foreign banks for new ventures in Portugal and internationally. After approval from a general meeting of shareholders on December 27, the bank's share capital will be raised from Es30bn (\$190m) to Es66bn through the issue of 36m hares at a nominal value of

Es1,000 per share. The new shares will be distributed as follows: 10m shares will be offered to the public, raising tha bank's capital to Es40bn. Of these shares, 2.5 per cent or 250,000 shares will be offered to employees of the bank.

• 6m shares will be offered to the present shareholders. 20m shares will be incorporated from reserves and allo-cated to shareholders of the

increased capital on the basis

of one new share for every two shares held. BCP shares have been trad-

ing well above their nominal value with the price of bearer shares closing at Es6,650 on Portugal's stock exchange yes-The bank says it may seek more foreign partners in future and possibly establish itself in some of the world's main financial centres. At the moment, its only foreign branch is in Madeira's offshore

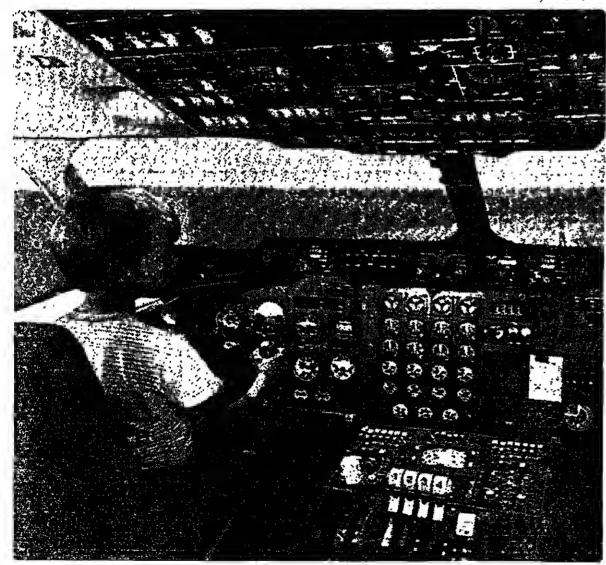
BCP started operations in 1986 and has developed rapidly to become one of Portugal's most profitable commercial

BCE achieves higher yield By Robert Gibbens

BCE, Canada's largest conglomerate, has raised its quarterly dividend from 62 cents a share to 63 cents (US\$0.54), confirming new management's determination to concentrate on achieving

better earnings. BCE controls Bell Canada, the country's largest telecom-munications utility, Northern Telecom, the telecommunications equipment manufacturer, TransCanada PipeLines, the interprovincial natural gas transmission company, and

many others. Bell Canada remains the main source of income.



In 20 years time, when our young pilot will be flying for real, we will have increased the security against fatigue in our bearings several times over.

What will bearings look like when he's a real pilot?

magine the year 2010.

and the second of the second o

Advances in aerospace engineering will have transformed commercial aircraft in many ways. Yet then as now, bearings will still be a critical component in aircraft safety.

It might be a miniature bearing in a navigational instrument. Or the bearings in jet engines, rotating at speeds of 800 revs/second, in temperatures of up to 500°C.

So what difference will there be? After all, how much more is there to learn about bearings? You'd be surprised. During the last twenty years we've increased the safety margins against fatigue several times over. And we expect to do the same again in the next twenty years.

Of course, aircraft bearings are already so safe that our development efforts are mainly aimed at yielding opportunities to decrease the weight and dimensions of machines. And enable purer designs.

So, by the time this little chap makes his maiden flight, the aircraft engine may well, like our bearings, be very different.

SKF employs some 45,000 people from 130 different nations. Manufacturing takes place at 80 factories in 17 countries.

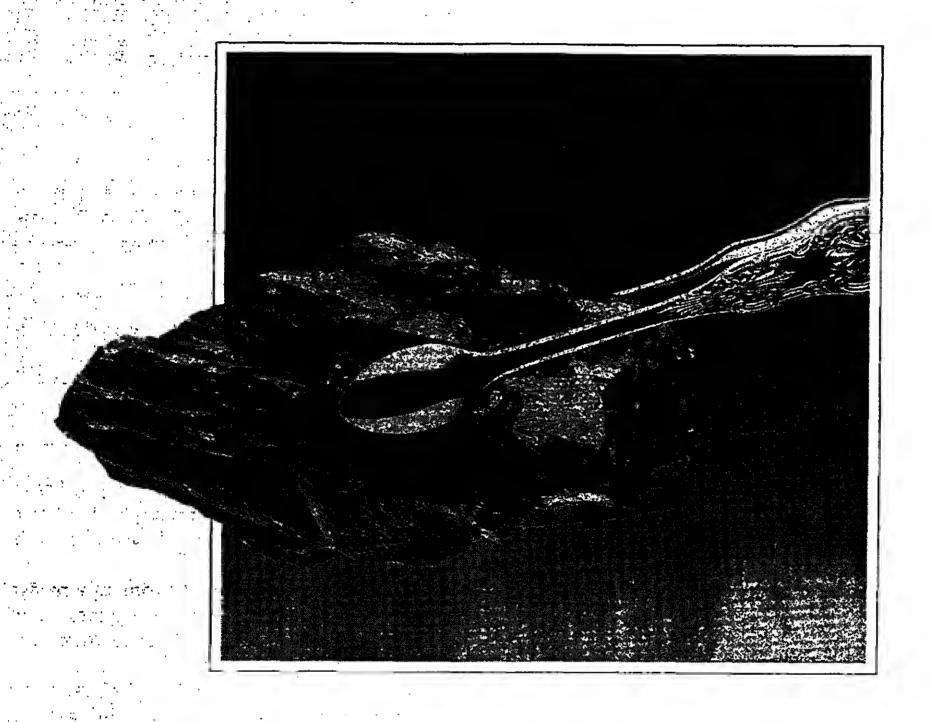
Apart from rolling bearings, SKF manufactures and markets cutting tools,

grinding machines, linear motion products, textile machinery components. aerospace components, fasteners and other mass-produced precision products.

In every one of these areas, SKF has a leading position.

FINANCIAL TIMES FRIDAY NOVEMBER 24 1989

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When British Sugar decided to modernise their Ipswich factory one of the objectives was a dramatic cut in energy costs.

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Which no doubt sounds very sweet to the ears of the British Sugar board.

For more information write to British Coal Industrial Sales Branch, Hobart House, Grosvenor Place, London SWIX 7AE, or ring 01-235 2020.

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The principal investment objective of the Company is to seek high current income, with capital appreciation being a secondary objective. It will seek to achieve its objective by investing internationally in debt obligations of sovereign

Application has been made to the Council of The International Stock Exchange for admission of the shares of the Company to The Official List.

Listing Particulars relating to the Company are available in the Extel Statistical Service and may be obtained during usual business hours (Saturdays and public holidays excepted) until 28th November from The Company Announcements Office, The Stock Exchange, London EC2N 1HP and until 14th December from until 14th December from

Merrill Lynch Limited Ropemaker Place 25 Ropemaker Street London EC2Y 9LY

Dated: 24th November, 1989 The shares have not been registered under the United States Securities Act of 1933, and may not be offered or sold, directly or indirectly in the United States of America or to or for the benefit of United States persons.

ITALEX LIMITED

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On November 15, 1989. Notes for the amount of US\$ 28,750,000 have been drawn for redemption at par on the next Interest Payment Date, i.e. January 2, 1990.

The following Notes will be redeemable coupon No 9 and following



Amount outstanding: US\$ 143,750,000

Notes previously drawn and not yet presented for redemption: none. Luxembourg, November 27, 1989



The Principal Paying Agent KREDIETBANK S.A. LUXEMBOURGEOISE

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ANNOUNCEMENT TO SHAREHOLDERS

In compliance with Section 101A of the Listing Requirements of the Kuala Lumpur Stock Exchange (KLSE) relating to the delisting of Malaysian incorporated companies from the Official List of the Stock Exchange of Singapore Lid (SES), the Beard of Malaysia Mining Corporation Berhad has resolved not to renew the Company's listing and quotation on the SES effective January 1, 1990. The Company will however continue to be listed on the Official List of the KLSE and the International Stock Exchange of London.

By Order of the Board ABOUL MALEK ABOUL MAJID WAN MOHAMED WAN YUSOFF London Agents: Viaduct Corporate Services Limited 40 Holborn Viaduct London ECIP LA

Kuala Lumpur 24th November, 1989

Dresdner Finance B.V.

Amsterdam

DM 500,000,000 Floating Rate Notes 1985/1990

The Rate of Interest applicable to the Interest Period from No I no remon or imment appusation to the interest Pediod from November 24, 1999 to Pebruary 28, 1980, Inclusively, was determined by Barciage Bank PLC, London, as Reference Agent to be 8 are per cent per annum. Therefore, on February 27, 1990, the relevant interest Payment Date, interest per Note of DM 10,000 principal amount in the amount of DM 219,35 and housest per Note of DM 250,000 principal amount in the amount of DM 219,35 and housest per Note of DM 250,000 principal amount in the amount of DM 5.483.94 is due.

Frankfurt am Main

Dresdner Bank

A STATE OF MODIES OF BANK Group

Banque Indosuez U.S. \$200,000,000 Floating Rate

Notes due 1997 For the three months 22n November, 1989 to 22nd February, 1990 the Notes will carry an interest tate of 81% per annum and couper amount o U.S. \$225.21 per U.S. \$10,000 Note, and U.S. \$5,630.21 per U.S. \$250,000 Note. Listed on the Luxembourg Stock Exchange

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Halifax Building Society Floating Rate Loan Notes 1996

For the three month period from 23rd November, 1989 to 23rd rebruary, 1990 the Notes will bear nturest at the rate of 15% per cent. per annum. The Coupon amounts will be 192.19 per 55,000 Note and 1921.92 per £50.000 Note, payable on 23rd February, 1990.

Morgan Grenfell & Co. Limited Agent Bank

COMMERZBANK OVERSEAS FINANCE N.V.

U.S.\$ 100,000,000 Fioating Rate Notes Due 1995

In accordance with the provisions of the Notes notice is hereby given that for the six months period from November 22, 1989 to May 22, 1990 the Notes will carry an interest rate of 10% per annum with a coupon amount of U.S.\$ 502.78 on U.S.\$ 10,000. and U.S.\$ 2,513.89 on U.S.\$ 50,000 .--.

> Frankfurt/Main, November 1989 COMMERZBANK

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EAU DEAR?

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interest payable on the relevant interest arms date 26th Febru-ary 1990 well amount to Ecu 285.59, - per Ecu 10,000 note and to Ecu 2,855.90.- per 100,000 note.

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12TH DECEMBER 1989 For a full editorial synopsis and dvertisement details, please contact

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FINANCIAL TIMES

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110	103	Bremhill Conv. Pref	103	0	11.0	10.7	-
104	100	Bremhill 84 % New C.C.R.P	103	Ŏ	11.0	10.7	_
305	285	CCL Group Ordinary	304	ō	14.7	4.9	3.8
176	168	CCL Group 11% Conv. Pref	173	Ō	14.7	8.5	-
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322	261		272	-3	-		_
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467	365		370	ō	18.7	5.1	9.8
300	270	Torday & Carlisle	299	ŏ	9.3	3.1	10.4
117	100	Torday & Carlisie Car Pref	103	ŏ	10.7	10.4	
122	78	Trevian Holdings (USAI)	80	ŏ	2.7	3.4	8.6
154	106	Unistrat Europe Conv Pref	154	ĭ	9.3	6.0	
395	355	Veterinary Drug Co. Ltd	360	ō	22.0	6.1	9.4
370	320	W.5 Yeates	320	ŏ	16.2	5.1	26.7

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Ente Nazionale per l'Energia Elettrica (ENEL) Yen 10,000,000,000 Guaranteed Floating Rate Notes Due 1992

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Notice is hereby given that the Rate of Interest has been fixed at 5.65% and that the interest payable on the relevant Interest Payment Date May 24, 1990 against Coupon No. 5 in respect of ¥10,000,000 nominal of the Notes will be ¥280,178. November 24, 1989, London

By: Clfibank, N.A. (CSSI Dept.), Reference Agent CITIBANC

CITICORPO U.S. \$100,000,000

Adjustable Rate Subordinated Notes Due November 26, 1997

Notice is hereby given that the new Rate of Interest on the subject Notes has been fixed at 8.625% for the period Navember 26, 1989 to November 26, 1991. Volve of Coupons numbers 5 and 6 in respect of each U\$\$5,000 nominal amount of the Notes will be U\$\$431.25 and in respect of each U\$\$25,000 nominal omount of the Notes will be U\$\$2,156.25.

November 24, 1989, London By: Citibank, N.A. (CSSI Dept.)

CITIBANCO

INTERNATIONAL COMPANIES AND FINANCE

De Crespigny finds his pot of gold

Kenneth Gooding on the ex-accountant who has led mining company Poseidon to become one of Australia's top 70 listed businesses

t says a great deal about Mr Robert Champion de Crespigny's new-found standing in the gold industry that the elite London Bullion Market Association invited him this week to present his views on the future of the

industry in Australia.

Only four years ago Mr de Crespigny gave up his accountancy practice, acquired 10 per cent of a moribund company for A\$500,000 (US\$390,000), and subsequently has built up a mining and exploration busiuess worth about A\$800m.
His pace became furious this year. First he took control of Poseidon, famous for its rocket-

ing share price in the 1960s Australian nickel boom. TNT, the transport group, fought a bitter court battle hoping to stop the acquisition.

In August Poseidou swooped on Australia's largest gold mining operations, Kalgooriie's Gold Mile, It took back from a debt-riddeu Mr Alan Bond a controlling stake in Gold Mines of Kalgoorlie, the most important Australian asset in Bond International Cold, at a frac-tion of the A\$355m Mr Bond paid Poseidou for the stake in 1987.

Now Poseidon is one of the top 70 quoted companies in Australia. It controls produc-tion of at least 850,000 ounces of gold a year at low cost. Of that amount, its share is about 330,000 ounces.

Poseidou is virtually debt free and, when a rights issue is completed in a few days' time, it will have about A\$400m in cash for further acquisitions as well as access to substantial lines of credit.

So great has been the pace of Poseldon's development that investors can be forgiven for being confused about what the company has become and where it might be going with the help of all that cash. One thing seems certain – it will not be gobbled up by Gold Mines of Kalgoorlie. When



De Crespigny: very keen to

Poseidon took GMK over it had A\$600m of debt on call. Asset sales and a rights issue have about halved that debt, which has also been put on a long-term, conventional basis. Mr de Crespigny says the future of the Kalgoorlie "super-pit," a merger of several mines along the Golden Mile, remains "very good. We are confident about that project, and the stronger the project, the stron-ger GMK will be."

There is much more to Posei-don than gold. It has a well-bal-anced exploration portfolio and owns Australia's largest indus-trial minerals company — Commercial Minerals, which has 40 per cent of its domestic market. It also owns the Bow River diamond mine which produces 800,000 carats a year.

r de Crespigny says it was not possible for his company to grow fast without developing a com-plex corporate structure, but this is now being dealt with. His master company, Nor-mandy Resources (named after the French province where his ancestors lived), will become a holding company.
Poseidon will become a

major Australian mining group, he reckons, by discover-

ing further mineral deposits that could be profitably devel-oped and by expanding its asset base via acquisition. Thare are other important guidelines. Poseidon will con-

tinue to insist upon holding the majority of the equity and controlling the management of any activity it invests in. "We don't do anything unless we can determine our own des-tiny," says Mr Crespigny. "We wouldn't put a cent in unless we had control of it. Couversely, if things changed and we lost control, we would get

Poseidon is interested only in the extraction industries (hard and soft rock mining, oil and gas) and they have to be m

The exception to this rule is Commercial Minerals, which operates in the Far East because its management team s experienced enough to cope. "We've resisted every temptation to move outside tha

resources industries," he says.

Poseidon has developed the
necessary "critical mass" in
the gold and exploration
operations and in industrial minerals. Mr de Crespigny reckons. He agrees with those analysts who suggest that Australian gold mining compa are over-priced, hinting that Poseidon is unlikely to buy another gold mining company. As for diamond companies, there is one other major diamond miner in Australia -Argyle - and that is not for

Which leaves the base met-als operations to build on. Mr de Crespigny gives a clear hint

de Crespigny gives a clear hint that base metals companies loom large ou Poseidou'e "shopping list."

Mr de Crespigny controls Poseidon via Normandy's 39 per cent shareholding. He and his family own 40 per cent of Normandy, but this will be reduced because ha cannot afford to take up his rights in the share issue Normandy

needs to make to maintain its stake in Poseidon.

National Mutual Insurance will take up the rights on its 25 per cent shareholding in Normandy, as will the Anglo American Corporation of South Africa (9.7 per cent) and the Dutch investors who have 10

per cent. Anglo American will also take up its rights in Poseidon, of which it has 6 per cent. However, Mr de Crespigny can give no idea about the attitude of TNT, which has 20 per cent

of Poseidon. Anglo American obtained its Poseidon stake following the merger in 1987 of Anglo with its Australian offshoot, Anglo-American Pacific – believed to be the first takeover of an Anglo American

Subsequently, Mr de Crespigny has been haunted by rumours that Anglo American provided the initial cash for him to build his empire and so increase Anglo's interests on a continent where South African investors are

south African investors are not particularly welcome. Mr de Crespigny says he can easily disprove this theory by taking anyone who is inter-ested through the "equity trail" he followed when building up his group. He points out that, during the court battle with TNT over control of Poseldon, his rival dropped these

allegations once the relevant papers had been produced.

Mr de Crespigny recalls that, for Normandy to win Poseidon early in 1987, be had to meet and "woo" Anglo, which had 18.8 per cent of the target com-

He also rebuffs suggestions that he is Anglo's "chosen representative" in Australia. "They seem to be happy with what we have been doing - by following their rights, for example. But I am not certain that I'm the only horse they would beck in Australia."

Little change

at Malaysian

By Lim Slong Hoon

in Kuala Lumpur

airline midway

MALAYSIAN Airline System.

tha national air carrier, reported little change in profit-

ability for the half year to Sep-

tember, although turnover rose 20.7 per cent to L11bn ringgit

Pre-tax profit was 86m ring-git, compared with 85m ringgit

the year earlier. There were no

indications of where costs had

Investment and other

Income from passenger and cargo traffic improved by 24.2 per ceut and 11.7 per ceut

respectively. Earnings of 23 cents a share did not change.

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income rose from 22m ringgit

to 59m ringgit.

Mexican insurance firms to be opened to foreign participation

By Richard Johns in Mexico City

MEXICAN companies could have foreign participation of up to 49 per cent under legislation submit-ted by President Carlos Salinas de Gortari to the Chamber of

This will be his Administration's first cantious move towards opening the country's hitherto highly protected financial sector to international competition, as well as another step towards deregula-tion of the economy. Mexican insurance premiums, aspecially for fire and earthquake

damage, are among the highest in the world. The decree is expected to come into force at the begin-ning of next year. The Govern-ment is also believed to be planning to open the market fully to international competition, in line with its commitments undar the General Agreement on Tariffs and Trade, within two to three

The Government also wants to strengthen the country's insurance business through the infusion of foreign capital and improve its efficiency with

Gold mining

groups seek

By Robert Gibbens

over C\$400m

TWO Canadian-based gold

mining groups are seizing the opportunity of strong bullion prices to seek more than

C\$400m in new equity.

Lac Minerals will offer 21m

units, each consisting of one share and half a warrant, at

C\$14 per unit, to raise \$294m (US\$251m) before expenses.

American Barrick Resources,

developing new gold properties in Nevada, plans to offer 3m new shares at C\$36.75 each in

Canada and Europe for a total C\$110m gross. The company

also plans to split its stock, two

for one, later.

Insurance the introduction of modern technology that outside partners can provide. The sector — where all-risk policies do not exist and car insurance is not obligatory — is acknowledged tional standards.

Under the prospective legis-lation, firms would be freed from present tight supervision by a department of the Ministry of Finance and be allowed to set their own premiums, policies and contractual documents. Also proposed is the astablishment of a national commission on security to regulate the business. With a few exceptions, the

only open activity permitted for international entities, individually or in joint ventures, has been reinsurance.
Johnson and Higgins of the
US, for instance, has a joint
venture, with a 49 per cent
minority shareholding, with

Brockman y Schuh for reinsur-ance, and an exclusive brokerage arrangement with it ou behalf of 200 US clients in the country. Alexander Howden also has an association with a local company.

The UK is represented by the Mercantile and General, Sedg-wick and Grupo Wigg. Among foreign entities which have for "historic" reasons obtained a minority shareholding are the and Assicurazione Generali of

However, foreign insurance companies have participated indirectly through the "back door," at the expense of the national industry, say the Mex-ican authorities.

"It is no secret that at present the judiest contracts are going to foreign insurance companies already operating through banks in Mexico," Mr Guillermo Ortiz Martinez, under-secretary at the Ministry of Finance, was quoted as say-ing at the conference of the Mexican Institute of Finance Executives this week. He pointed out that the participa-tion of national insurance com-panias in tha economy amounted to less than 1 per cent of GDP. The goal of the Asociacion Mexicana de Instituciones de Seguros (Amis) is to raise this to 2 per cent of GDP within five years.

Canada's largest private cable TV system for sale

By Robert Gibbens in Montreal

CANADA'S LARGEST privately owned cable TV system, potentially worth between C\$350m and C\$400m (US\$300m to US\$340m), is up for sale.

Its owners, Mr David Graham, chairman, and Mr Noel Bambrough, president, want to concentrate ou other broadconcentrate ou other broad-casting interests in Canada and on developing new cable systems in Britain.

Cablecasting, which has 315,000 subscribers in Ontario, Manitoba and Alberta, faces been retained to find buyers

big capital spending to upgrade its operations for fibre optics. Peat Marwick Thorne have

and the company could be sold intact or broken into separate systems. Potential bidders includa Rogers Communica-tions, Videotron, Shaw Cable-systems and Moffatt Communi-

wholly owned Continental Can Canada subsidiary for C\$390m in cash and shares to Crown Cork and Seal of Philadelphia. CCL will get C\$150m in Crown Cork shares (an 8.8 per cent interest), \$125m cash pre-tax and \$18m in Continental Canada dividends. Crown Cork assumes \$110m of Continental

Canada debt.

• CCL Industries is selling its

For the interest period 23rd November, 1989 to 23rd February, 1990 the Class A Notes will bear interest at 15.475% per amount. Interest payable on 23rd February, 1990 will amount to £3,900.55 per £100,000 Note.

The Class & Notes will bear interest at 16.475% per annum. Interest payable on 23rd February, 1990 will amount to £381,364.38 per £14,000,000 principal amount.

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Agent Benk: Morgan Gouranty Trust Company of New York London

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0 November 24, 1989

Columbia First

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INTERNATIONAL COMPANIES AND FINANCE

rise in investment income

By Jim Jones in Johannesburg

IMPROVED REVENUES from coal, platinum, diamonds and base metals combined to lift the profits of Anglo American Corporation, South Africa's largest mining group, during the six months to September 30 and helped overcome virtually static revenues from the group's gold interests.

Investment income increased to R632m (\$241.7m) during the six months from R476m in the comparative period of 1988 and the first balf's equity accounted earninge, which includes AAC's share of its associates' profit reten-tions, was R1.32bn against

Investment income totalled R1.28bn in the last financial year and the year's equity accounted earnings were

Indian cement

group sells off

process plants

By R.C. Murthy in Bombay

ASSOCIATED CEMENT Companies (ACC), India's larg-est cement group, is selling its inefficient assets as part of a drive to bring its profitability

back in line with that of its

agreement with the Calcutta-

of its wet process cement plants at an undisclosed price.

Cement was deregulated a year

ago and prices crashed, as sup-ply exceeded demand.

ala and sugar mills in North and South India.

HMP Group is a diversified group with tea estates in Assam, West Bengal and Ker-

The company has reached an

ased HMP Group to sell four

competitors.

135 A.C.

The directors caution that earnings will grow more slowly in the second half than in the first, basing this estimate in part on the deteriorating profitability of the gold mining

They add that the recent increase in the dollar price of gold will help, but do not say whether they believe the higher gold prices will be sus-tained. On the other hand, revenues

are expected to be restrained by slower demand for minerals exports and more difficult trading conditions in South Africa

At present the group is engaged in a major exploration programme for gold in the Transvaal and Orange Free

however, that new mining techniques and productivity advances were needed if new gold mines are to be viable. Apart from gold, AAC's sub-sidiaries and associates are planning major stainless steel

man, warned earlier this year

mannfacturing facilities, expanding pulp and paper pro-duction and examining the feasibility of establishing at least one new diamond mine. Amcoal, the group's coal mining arm, has just offered

coal interests.

First-half earnings rose to
R5.70 a share from R4.43 and the interim dividend has been lifted to 85 cents from 70 cents The last financial year's full earnings were R11.48 per share and the full dividend was

R550m for BP's South African

Mr Gavin Relly, the chair-

First-half profits tumble at Harrisons Plantations

Plantations, the primary commodity group, reported a 45 per cent fall in first-half pre-tax profit to 60m ringgit (US\$22m) from 108m ringgit because of a clumn in commodity prices slump in commodity prices.

over fell by 24 per cent from 297m ringgit to 226m ringgit, according to its interim report released yesterday. Production of rubber fell by about 8 per

After-tax profit was 16.4 per cent of turnover compared with 27.6 per cent previously. Shareholders' profit was at

Acc skipped dividend for the eight months to March 1939 for the first time in 50 years. Ear lier, ACC sold its special prod-ncts plant at Porbandar in the estern state of Gujarat for Rs4.2m (\$249.917).

Acc will have an 8m-tonnesa year cement capacity even after the proposed sale. It plans to expand by 1m tonnes at Gagal in North India, for which government permission has been obtained.

The company has also cut

jobs by 5,000 through a voluntary retirement scheme in its bid to enhance profitability. It plans to reduce the staff further but the extent of joh cuts and its strategy are being

By Lim Siong Hoon in Kuala Lumpur

Although the group stepped up production in palm oil, cocoa, and coconut, its turn-

36m ringgit, down by 55 per cent from 81m ringgit. Net earnings a share also fell

HARRISONS Malaysian by more than half, from 9.5 cents to 4.3 cents.
The shares are now traded at around 2.50 ringgit each. The group's poor current results are a big contrast to its

last annual profit which, at

582m ringgit, was a record.

This profit enabled the group, one of Malaysia's largest, to expand the size of its plantation boldings at a time of declining commodity prices. This month it concluded a 70m ringgit deal to buy Tongkah Plantations, an oil palm and rubber grower in Sabah state. Last month, the group offered cash, at 7 ringgit a share, to Harrisons & Crosfield of the UK for a 13.2 per cent additional stake in K.T. Pau.

Daido seeks HK listing

By John Elliott in Hong Kong

DAIDO CONCRETE has this week become the second Japae-owned company to seek a listing on Hong Kong's stock exchange. It is raising HK\$55m (US\$7.04m) for the issue of 25m shares of HK\$0.25 each at HK\$2.20 a share, which are to be listed on December 14. Bro-kers expect the offer to be heavily over-subscribed.

The move reflects Hong Kong's growing importance as

a recipient of Japanese investment. Japanese government statistics show that investment in the colony by companies from Japan last year amounted to US\$1.66bn, np from US\$1.07bn in 1987. This was the largest Japanese capital injec-tion in Asia.

Daido manufactures concrete piles for Hong Kong and Macso's booming construction

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Anglo American aided by Higher costs and interest hit Usko results

By Jim Jones in Johannesburg

USKO, the South African steel maker formerly named Union Steel, lifted sales by a quarter in the year to September 30 but was adversely affected by higher interest charges, increased raw materials prices

and an unfavourable sales mix. Turnover rose to R544m (\$208.3m) from R435m and operating profits before dividend income and interest and tax payments rose to R38.2m from R37.2m, but pre-tax profits dropped to R27.5m from

> The directors say higher steel scrap and alloy prices affected the steel division's

profitability, although the non-ferrous metals division, which markets copper products, realised a setisfactory

At present. Usko is establishing a plant to make vanadium pentoxide which it hopes to bring into production in the middle of 1990.

Earnings dropped to 49.1 cents a share from 59.5 cents and the year's dividend is unchanged at 13 cents. · Foskor, the South African state-owned phosphete rock company, lifted sales by 40 per cent in its financial year to June 30, helped by higher copper prices and hetter agricul-tural demand for phosphate

The company is widely expected to be the next stateowned enterprise to be privatised, probably early in 1990. Turnover rose R429m (\$164.3m) from R307m and the pre-tax profit increased to R14L0m from R57.6m.

The company stopped disclo-sing phosphate production and sales figures a few years ago, when the sanctions threat was at its height.

It has the capacity to process about 3m tonnes of rock recovered as a co-product of copper

in the large open-cast mine managed by RTZ's Palabora company. The phosphate is sold to local fertiliser produc-ers for export and local sales.

Domestic consumption of phosphate fertiliser rose by 14.3 per cent during Foskor's past financial year, although the company does not quantify

the consumption level. in recent weeks maize farmers, the principal users of phosphate fertiliser, have been importing it from Latin Amer-ica at less than thecost of com-

parable local products. © Reuter adds from Sydney: SA Brewing Holdings bas

abandoned plans to hid for Bond Corporation Holdings' Australian brewing assets, according to local media

reports. Mr Ross Wilson, SA Brewing's managing director, was not available to confirm the reports, which said his com-pany had quit talks because it was concerned about a downturn in Bond's share of the

Bond and New Zealaod brewer Lion Nathan have not yet been able to complete a A\$2.5bn (US\$1.9bn) deal to sell the brewing assets into a joint

Notice of Partial Redemption to the holders of

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INTERNATIONAL CAPITAL MARKETS

Report suggests wider role for the Stockholm bourse

By John Burton in Stockholm

A GOVERNMENT committee has recommended that the Stockholm Stock Exchange be allowed to expand its activity to include the trading of

options and debentures.

it also proposes tongher rules on insider trading to bring Sweden closer to EC practices, while deciding that the securities markets should remain largely self-regulated.

The proposals are contained in a 1,100-page report by the Securities Market Committee, which was established in 1987 to review the operations of Sweden's securities markets in the wake of several insider trading scandals in the mid-

The report also reflects concerns that rules governing the securities markets are becoming outdated compared to the

rest of Europe. Howsver, the proposals, which could take effect in 1991 after approval hy Parliament are not expected to lead to many far-reaching changes. The committee, for example,

said the Stockholm Stock Exchange's legal monopoly on share trading should be abolished, but added that it saw no need for a second bourse in Sweden. This was the only

By George Graham in Paris

MR Regis Rousselle is to give up the chairmanship of the

stockbroking firm of Mees-

chaert-Rousselle in order to concentrate full time on his

role as chairman of the French stock exchange.

Mr Rousselle will be auc-

ceeded at Meeschaert-Rous-

selle, now a subsidiary of the AXA-Midi insurance group, by Mr Gérard de la Martinière, the

US DOLLAR STRAIGHTS

Canada 9 96...... C.C.C.E 94 95... C.N.C.A 94 93...

main issue that saw a split between the non-Socialist panel members, who favour regional bourses, and the rul-

ing Social Democrats.
"In practice, the recommendation means that the Stock Exchange's monopoly will stay in existence," said one official of the Federation of Swedish Industries In addition, allowing the

bourse to expand its activity to option and debenture trading could strengthen it at the expense of such rival securities markets as the Stockholm Options Market. In discussing insider trading

the committee said Sweden should adopt rules similar to those contained in the EC directive on the issue. Com-pany directors and large share-holders are now the only per-sons subject to insider trading laws in Sweden.

The committee would broaden the law's application

Rouselle concentrates on SE post

architect of the success of the Matif financial futures

exchange before taking over as chief executive of the stock

He and Mr Rousselle took over together as a new team after the resignation of the pre-

vious chairman and chief exec-

utive, after the stock exchange reserve funds had incurred

heavy losses in uncovered

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exchange in 1988.

Listed are the latest international bonds for which there is an adequate secondary market

to a wider circle of people, such as government officials and journalists, who could be privy to inside information. It also urged that a "shortswing" rule, which is not included in the EC directive, be applied to company executives. This would penalise executives

their own company within a six-month period by requiring that any profit from the deal be returned to the company.

The committee expressed general satisfaction with the two self-regulatory bodies that police securities markets. It said they should play an important role in the future evelopment of the markets, although there should be closer co-operation between the boards and government bodies, such as the Central Bank and the Bank Inspection

Board, on regulation. It also suggested that a new regulatory committee be established to examine possible breaches of the contracts gov-erning the listing of companies on the Stockholm bourse. This is now the function of

the board of directors of the bourse. The board will be given the power to approve the share prices of new issues. More information will be emanded for companies listed

on the OTC market. The Securities Register Cen-tre will also release more details about the ownership structure of listed companies by publishing a monthly list of

financial market speculation. Mr Rousselle said that it had become impossible to devote

enough time to both roles, and he had asked to be released.

"Juridically, you are allowed to combine the two posts, but physically, it is not possible," he said, adding that he would now be able to concentrate full time on modernising and pro-

moting the Bourse,

who bought and sold shares in by bond By Maggle Ford in Secul

WHEN STC Corporation, a South Kotean flexible packag-ing maker, decided that it wanted to issuech a convertible Eurobond to finance an overseas expansion, it jumped to the head of the queue. Although many bigger and better-known companies had applied unsuccessfully to the Ministry of Finance for permission to raise money abroad, STC's proposal was

S Korean

strategy

revealed

quickly approved.

The reasons why give a cine
to the future economic strategy of South Korea. Two clear
themes are evident, specialisation and internationisation.

The STC \$30m convertible bond is to be launched next week in London, lead managed by Crédit Suisse First Boston.

Caryo Securities and Hanshin Securities. The strategy behind the many strategy in comtion and internation

it has many aspects in com-mon with the highly success-ful bond with warrant launched by Sammi Steel, the specialty steelmaker earlier this year. Sammi, formerly a diversified smaller conglomerate, had restructured its business in the early 1980s, concentrating

mainly on specialty steel.

It used the money raised to acquire the money raised to acquire the specialty steel sub-sidiaries of the Canadian com-pany Rio Algom, the first important overseas acquisition by a South Korean company. The deal made Sammi the world's largest specialty steel-maker. STC is already one of the world's largest makers of flexible packaging film, used for food wrapping and other consumer product packaging, and has 52 per cent of the fast growing South Korean market.

growing South Korean market.
The company was set up in 1854 as a trading company and acquired a celiophane mannfacturing company in 1871, thus beginning its specialisation in flexible packaging.
The company is to use the proceeds of its convertible bond to set up a new factory in the Philippines and either to acquire or to build from scratch a plant in the US.
The \$20m Philippine plant will make blaxially oriented

will make blaxially oriented polypropylene (OPS) and cast polypropylene (CPP) with a total capacity of 10,400 metric tomes to add to STC's South Korean capacity of 70,000 met-The US venture, for which

with retained earnings if nec-essary, is to produce industrial packaging tape, used to seal boxes.

STC's sales last year were Won136bn (\$179m) compared with Won149hn in 1987 and net profits dipped to Won3.3bn from Won3.6hn, mostly because the strength of the Won-hit export husiness. This year sales are expected to slip to Won120hn as a result of a labour dispute. The outlook for 1990 is more promising,

however, says STC.

The STC convertible bond is expected to be priced at a coupon of 1 4 to 1 2 per cent, with a conversion premium of 90 to

a conversion premium of 90 to 100 per cent.

The honds will be convertible into non-voting shares on the Korean stock market after 18 months. The Ministry of Finance has indicated that bond holders will have preference in entering the stock market, which is due to open to foreign investors in 1992, albeit with restrictions.

NZ meeting over margin call default

JORDAN Sandman Futures met with the board of the New Zealand Futures Exchange yesterday to present a plan for the company's re-entry to the futures market, Reuters

reports.
The futures trader, part of the Jordan Sandman Were group, was suspended this week when unidentified clients failed to meet a margin call on a bond intures contract.

Jordan Sandman Futures said its proposals contain an undertaking for the payment of all outstanding commitments, which it calculates to be worth NZ\$5.7m (\$3.4m).

On Wednesday, Mr Colin Giffney, managing director of Jordan Sandman Were said one of Jordan Sandman Futures' clients failed to meet a NZ\$5.5m margin call on a Futures' clients failed to meet a NZ\$5.5m margin call on a government bond futures contract. GT Management, the UK based fund management group which is pari of Bank in Liechstenstein, issued a disclaimer saying that its name had been used fraudulently in the placement of futures husiness in New Zealand.

At the same time Bain Refco Commodities, which is 70 per cent-owned hy Australian investment bank Bain and Co, said it was reconsidering plans to join the New Zealand Futures Exchange. Bain and Co is jointly owned by Dent-sche Bank and Refco of the US.

Con. Carried Bid State Park State Park State Sta

| Change on | Change on | Change on | Change on | 150 | 190 | 2 | 91 | 2 | 40 | 40 | 40 | 1 | 10 | 100 | 190 | 2 | 190 | 2 | 190 | 4 | 1 | 1 | 10 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 190 | 19

INTERNATIONAL CAPITAL MARKETS

bond and Ecu markets

By Andrew Freeman

Bur Bar Am

activity was created on the sales. Nomura International Eurobond market yesterday, with several deals emerging despite holidays in Japan and the US. However, most of the issues launched were largely pre-placed or aimed at specific demand, leaving syndicate

managers barely stretched.

Bullish sentiment on interest rates led to a sharp upward improvement on German bond markets and gave forward impetus to the Ecu sector, with most seasoned issues gaining between ¼ and ¼ point, albeit in light trading. Crédit Com-mercial de France (CCF) spotted the opportunity to launch an unswapped Ecul50m 10-year deal for Credit Poncier.

The bonds carried a 9% per cent coupon and were priced to yield around 9.41 per cent at less 2 per cent full fees. This compared with the yield of 9.34 per cent offered by last week's European Investment Bank deal. CCF was quoting the paper on fees at less 2 bid, and said that institutional demand

THE illusion of busy new issue had supplied the bulk of steady was the lead manager of two chunky dollar deals aimed at Tokyo investors wanting a call

option on the gold price. The borrowers were Spare-kassen and Union Bank of Fin-land and there was speculation that proceeds of both deals

INTERNATIONAL BONDS

were swapped into floating-rate funde. Kidder Paabody launched a two-tranche deal totalling \$125m for Top Finance II. The bonds carried the guarantee of Financial Security Assurance, but were largely placed and were not trading actively.

Wednesday's C\$75m fungible

Wednesday's C\$75m fungible deal for Banque Nationale de Paris brought by ScotiaMcLeod improved by 20 basis points to trade inside fees at 99.70 bid. ScotiaMcLeod said there had been steady demand from

investors looking for a liquidity pick-up whan the deal becomes fungible with an existing C\$150m issue.

tone saw prices gain up to % point, with active trading in recent issues. The EIB 7% per cent DM400m deal gained 60 prennigs to 99.05 bid.

deal met a good response from institutional investors and the lead manager was quoting the paper at 99.95 bid, comfortably inside full 15 basis point fees.

NEW INTERNATIONAL BOND ISSUES									
	Amount m.	Coupon %	Price	Maturity	Fees	Book runner			
and(a) ♦) ♦ da)H(b) ♦ da)H(c)‡ ♦	350 350 100 25	8 8 9.26 20bp	101 ¹ 8 101 ¹ 8 100 100	1991 1990 2000 2000	1 ½/5g 1 ½/5g 3g/1g 30/15bp	Nomura Int. Nomura Int. Kidder Paebody Int. Kidder Paebody Int.			
галсе(d) 💠	150	83 ₈	101%	1989	2/14	CCF			
	700	à	100	1996	15/5bp	Societe Generale			
	150	8	10012	1994	15/14	Commerzbank			
distant A	-					A			

Floating rate notes. Final terms. a) Unlisted. Redemption linked to gold price. b) Call after 5 years at par and on every coupon date thereafter. c) 20bp over 6-month Libor. Call at par after 1 year. d) Non-callable. e) & over 3-month Pibor. Call Non-tiell at 100 and on coupon dates thereafter. f) Dual-currency issue. Coupon and principal may be paid in either DM or USS - strike price DM1.70 per \$. g) Redemption linked to Nilckel stock Unlished.

Brazilian oil group to raise \$200m

monopoly, plans to raise \$200m through a sale of preferred stock on the local market, writes John Barham from San

Credit Foncier de Fi

But since the company faces crippling losses this year, it is offering stock in Petroquisa, a wholly-owned chemicals sub-

sounder state companies. It carries little debt and reported a 15.6 per cent return on real net worth last year.

But Petrobras is squeezed by the high cost of operating Bra-zil's faltering fuel alcohol pol-icy and low government-imposed retail prices for its petroleum products. It reported idiary, instead. a \$2.16bn profit last year, one-Petroquisa is one of Brazil'e third less than in 1987.

Meanwhile, Embraer, a state-owned aircraft manufacturer, announced yesterday that it has completed a \$100m conversion of foreign debt into equity by six foreign banks.

The conversion is part of a financial restructuring package designed by First Boston, the US investment bank, to reduce short-term debt and provide funds to develop new aircraft.

In Germany, the improved

Commerzbank brought a DM150m dual currency deal for the World Bank. The five-year bonds offered a 9 per cent cou-pon payable in D-Marks or US dollars depending on the exchange rate. The paper was quoted at less 1% offered, and was aimed at German retail accounts.

accounts.

In France, Société Générale was the lead manager of a FFr700m floating-rate issue for Nersa, the European nuclear energy group. The seven year notes carried a yield of h point over three-month Pibor. The

Upward trend in German | Germany's big banks tap into the wealthy

Haig Simonian on the way bankers earmark their more up-market private clients

does the average German tend to earn more than most of his European counterparts, he also

saves much more diligently.
So it is no surprise that private banking for the wealthy plays an important, but often overlooked, part in the coun-try's financial system. But while such services have

But while such services have traditioually come from a select breed of small private banks, usually based in affluent centres like Hamburg or Munich, interest has recently widened to include some of the country'e higgest universal banks

banks.
Since the middle of this year,
Deutsche Bank has been negotiating to buy Grunelius, a tiny
private bank based in Frankfurt with 11 employees and
total assets of around DM25m.
Deutsche Bank is not alone in spotting the attraction of

in spotting tha attraction of providing services for the really rich. In July, Bayerische Hypotheken-und-Wechsel Bankgained full coutrol of Bankhaus Maffei, a small Munich private Bank, which it will use to spearhead its appeal to a similar, if slightly less plutocratic, clientele.

Meanwhile Dresdner Bank

Meanwhile, Dresdner Bank already owns Reuschel, one of Germany's biggest private banks, with DM3.2hn in total assets and profits of DM23.5m last year.
And Bayerische Landesbank,

And Bayerische Landesbank, the country's second higgest public-sector bank, has just wealthy roots. Meanwhile, Bank in Lie-chtenstein (BiL), also head-

EW Europeans have raised its 51 per cent stake in Aufhäuser, another Munichbased private bank, to over 90

"We're talking about clients with fortunes upwards of DM5m, and possibly upwards of DM10m, who don't really want to go to a big bank for their financial services," says one Deutsche Bank executive. But why should Germany's

richest people suddenly flock to the big universal banks – or their covert up-market sub-sidiaries – when their existing banks appear to be serving them well? Famons private banking names like Merck Finck or

Thurn und Taxis, both based in Munich, or Bankhaus Sal Oppenheim, headquartered in Cologne, have for decades - and, in some cases - centuries, been giving wealthy individuals just the mix of prestige and discretion required. Moreover, those unhappy with the domestic choice can

always turn to a mix of up-market foreign institutions, notably from Switzerland or Swiss Bank Corporation

(SBC), which also does com-mercial and investment banking husiness from its German adquarters in Frankfurt, has in the past two years opened offices in Munich and, most recently, Stuttgart - another seat of established wealth - to get closer to its private clients'

GERMANY'S BIGGEST PRIVATE BANKS

(DMbn) Bertiner Handels und Frankfurter Bank Trinkhaus und Berkhardt

M M Warburg-Bring

quartered in Frankfurt, manages funds for private clients.
And, latest to open was Bank
Julius Baer, a leading Swiss
private bank, opened in Frankfurt, which has hired a former
BiL executive as one of its

local managing directors.

Banks like Deutsche Bank
believe that buying into established, if underdeveloped, private banking names will give
them the required cachet. For the hig banks argue that they already provide all the prod-ucts sought by the very rich. What has been missing is the always been that the hig banks

are not as discrete as an individual private banker, whom one gets to know personally, notes one executive.

Setting up new private banking operations is the way to get round that.

But providing services at arm's length is not just a way of attracting the right kind of customer. The big banks also need to attract suitabla entre-preneurially-minded executives

to run their new operations. Such individuals have tended to flee hig financial institutions - where many may have been trained - in favour of more entrepreneur-

ial, risk-orientated companies, like the Matuschka group in Munich. Thus Deutsche Bank plans to go one step further by giving the bosses of its new operation a stake in the business e precedent for which could,

arguably, be repeated else-where in the bank. Mimicking the traditional partnership structure of German private banks has already been done at Lloyds Bank of the UK, which in November 1988 sold a 5 per cent stake in Schröder, Münchmeyer, Hengst, the famous German private bank it bought in 1984, to five top executives.

"Our target client needs a counterpart who can talk on a very personal level about sub-jects ranging from the educa-tion of his children to how best to invest his fortune or plan for his estate," says the Deutsche Bank official. Yet not all of country's larg-

est financial institutions share the current enthusiasm for private banking, despite the plans of being nurtured by some.
Commerzbank, Germany's
third biggest bank, has followed a very different path
with Von der Heydt-Kersten, an established private bank based in the north German city

of Wuppertal.

After all, rich Germans are
Von der Heydt-Kersten, still getting richer.

LONDON TRADED OPTIONS

not match some of the market's more bearish fears prompted a flurry of activity, particularly in the FT-SE 100 indax contract, where some modest call buying

reassurance the market

and put selling was noted.

DM129m, operates as a normal bank, albeit restricted to its immediate regioo. Last year, it cootributed DM1.79m to Commerzbank's group profits.

The decision of whether to iutegrate a private bank or retain its distinct identity can be finely balanced.

In the 1960s and 1970s, integration appeared the standard solution as dozens of once famous names disappeared.

But, as Commerzhank's example shows, there may be strong reasons for keeping a bank separate, even when it is not being groomed for the

mega rich.
That has until now also been the approach of Munich-based Bayerische Vereinsbank, Germsny's fifth higgest hank, which has always steered clear which has always steered clear of any integration with its pri-vate banking businesses, Simonbank, a classic private bank in Düsseldorf, or Beth-mann Bank, one of the oldest houses in Frankfurt, dating from 1748. As a regional bank itself, Bayerische Vereinsbank may be more sensitive than most to the value of retaining a

distinct identity.

But there are signs that it too may be succumbing to the private banking hug.
In particular, Bethmann
Bank could play an enhanced
role in Bayerische Vereinsbank's attempts to put private clients and their fund manage ment more in the spotlight.

offset by the purchasa of 250 March FT-SE futures contracts.
Among the stock options, BP featured, following the announcement that It would self its South African coef interests. The bignest trade was the sale of 750

African cost interests. The big-gest trade was the sala of 750

Trade figure boost for gilts

By Deborah Hargreaves in London

ted trade figures which led a thin market upwards. However, volume remained thin and traders said the market's strength was more a reflection of a tschnical squeeze rather than retail demand. The benchmark long gilt was %.of a point higher at 1104 from a close on Wednes-

day of 1095.
The UK trade data initially supported sterling on the for-However, the pound then

THE UK Government bond market received a filip yester- at 87.0 after Wednesday's close

For part of the day trading was led by an active futures market where around 16,000 contracts changed hands.

The futures market had,

however, largely discounted the trade data and the rally in futures was due to a late buying wave of short positions. German bond prices moved sharply higher yesterday as investors finally recovered some confidence.

Some of the huying was prompted by a stronger futures market which had showed later trading. The Bank of some firming on Wednesday

during the German public holi-day. The 7½ per cent hund rose to 98.65 with a yield of 7.32 per cent after a close of 97.90 on Tuesday. Most of the activity was created by professional

• Chase Manhattan plans to introduce three mutual funds for institutional investors. The family of mutual funds, called Vista Premier Funds, was launched recently with the Vista Premier Global Money Market Fund. It includes investments in

high-quality domestic and for-eign commercial paper, domestic bankers acceptances and foreign bank obligations.

THE London traded options market had a quieter day as the latest UK trade figures showed a

modes! improvement over the

previous month, while the closure of US markets for the Thanksgiv-

ing Day holiday gave many Inves-

Most of the day's 35,283 option

		Coupen	Red Date	Price	Chango	Yield	Work	Monti
UK GILT	s	13.500 9.750 9.000	9/92 1/96 10/08	104-04 94-21 93-12	+4/32 +10/32 +17/32	11,72 10.75 8.90	11.67 10.71 8,79	11.44 10.53 9.59
US TREA	SURY '	8.000 8.125	8/99 8/19	100-30 102-25	+ 15/32 + 1/32	7.86 7.88	7.86 7.87	7.85 7.87
JAPAN	No 111 No 2	4.500 5.700	6/98 3/07	94.5078 101,3260	+ 0.029	5.55 6.65	5.50 5.62	5.34 5.21
GERMAN	Ϋ́	6.750	6/99	96.2500	+0.550	7.30	7.42	7.04
FRANCE	BTAN	8.000 8.125	7/94 5/99	94.1808 94.0400	+0.297	9.59 9.07	9.59 8.01	9.27 8,79
CANADA	•	9-500	10/98	99,4250	+ 0.550	9,59	8.45	9.39
NETHER	ANDS	7.250	7/99	96,5400	+0.400	7,77	7.77	7.44
AUSTRAL	LIA	12.000	7/99	93.3859	+0.662	13.23	13.26	13,85

LONDON MARKET STATISTICS

RISES AND FALLS YESTERDAY

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS	T	hursda	y Nove	mber	23 198	19	Wed Nov 22	Nov 21	Mon Nov 20	Year ago Cappro
Fi	& SUB-SECTIONS gures in parentheses show number of stocks per section	Index No.	Day's Change	Est. Earnings Yield% (Max.)	Grass Div. Yield% (Act at (25%)	Est. P/E Ratio (Net)	rd adj. 1989 to date	Index No.	antiex No.	ladex No.	Index No.
1	CAPITAL 6000S (295)			13.11	4.93	9.35	28,51	857.50	852.96	859.68	\$15.7
2	Building Materials (28)	1034.92	+0.9	25.38			35,83	1025.92			
3	Contracting, Construction (37)	11385.64	+8.2	17.90		7.33	56.64		1378.11		
4	Electricals (10) Electronics (30)	2524.25	-0.1 +1.0	11,28 9.69		11.14	63.50 51.07	2422.73 1882.42			
5 6	Mechanical Engineering (53)	450 49	E.0+	12.49		9.75	14.90	446.72		451.65	
8	Metals and Metal Forming (6)	457.44	10.4	25.78		4.38	16.13				
9	Motors (17)	352.44	+0.4	11.36		10.31	11.79			351.07	
10	Other Industrial Materials (241	h623.57	+0.9	10.21		11.55	54.97				
21	CONSUMER GROUP (185)	1246.61	+2.2	8.89		14.14	29.55	2233.56	1233.11		1871
22	CONSUMER GROUP (185)	1406.61	+1.0	9.42	3,52	13.26	28.12			1386.48	
25	Food Manufacturing (20)	1100.72	+1.4	9.42		13.33	25.81				954.7
26	Food Retailing (15)	2240.86	+8.8	9.40	3.17	14.04	44.97		2223.96		
27	Health and Household (14)	2529.75	+1.2	6.23		19.13	41.91				
29	Leisure (35)	1564.10	+0.8	8.34	3.71	14.75	41.11	1551.50	1552.68	1556.25	
31	Packaging & Paper (14)	538.88		12.38	5.44	10.12	17.67	534.95		523.92	
32	Publishing & Printing (LB)	7,020-33	46.7	8.63		14.99	24.22	360Z.96 747.92	749.74	3577.49 747.12	
34	Stores (32)	101.27	+1.3	11.33	4.89 5.89	11.51	18.11	498.67	498.77	502.02	
33	Textiles 14)	1776 32	+0.7	19.76		11.26	27.82				
40	Textiles (14) OTHER GR9UPS (95) Agencies (17) Chemicals (22) Conglomerates (14) Transport (13) Teleptone Networks (2)	1494 57	+0.2	7.03	2,43	17.46	26.28	1470.70	1492.26		
47	Chamicals (22)	1789.28	+0.9	12.86	5.41	9.14	43.57	1169.68		1166.25	
42	Consignmentes (14)	1676 38	+1.1	18.75	5.38	10.98	34.25		1573.12		
43	Transport (133)	D121.63	+0.8	11.23	4.52	11.36	57.65				
47	Telephone Networks (2)	1093.63	1.04	11.62	4.69	11.19		1009.51		1091.24	978.
48	Miscellaneous (27)	1849.82	40.6	9,33	4.44	12.11	45.43	1838.87	1839.35	1832.66	1219.
49	INDUSTRIAL GROUP (485)	1123.97	+0.9	10.47	4.23	11.78	29.68	1114.36	1112.34	1113.94	975.
51	OII & Gas 15	2221.21	+1.6	9.75	5.16	13.56	96,40	2185.16	2145,86	2159.57	1740.
59	300 SHARE INDEX (508)	1215.79	+1.6	19.37		12.00	35.18	1204.06	1240.68	3201,67	1040.0
61	FINANCIAL GROUP (121)	784.35	+1.3		5.37	-	28.61	774.34	772.11	769.66	696.4
63	Banks 191	819.77	+2.2	21.64	6.10	6.25	35.17	501.96	798.00	797.46	678.
63	Insurance ILife) (8)	1312.39	+2.3	-	3.07	_	47.56				
66	Insurance (Composite) (7)	652.91	+1.7	i –	5.79	-	28,34		639.85	635.55	
67	Insurance Composite (7)insurance Brokers) (7)	1070.66	+0.5	7.04	5.87	18.91	45.26		1067.10	1058.39	908.
68	Merchant Banks 11	420.68	Į -8.2	-	4.08	-	9.70	421.61	421.36	421.69	334L
40	Property (49)	J1160 <u>.2</u> 2		7,83	3.63	16.15	23.34			1154.37	
70	Other Financial (30)	312.56	-1.8	13.06	6.86	10.84	14.48	315.69	320,48	328.23	365.2
71	Investment Trusts (69)	.1229.34	+8.9	-	2,84		22,73	1218.38		1266.85	730.3
81	Mining Finance (1)	678.77	+1.1	11.00	3.97	18.22	22.25	671.87	673.64	677.48	573.4
91	Mining Finance (1) Cverseas Traders (7)	<u>.11405.61</u>	+0.7	9.63	5.75	21.66	54.79		1384.65		
99	ALL-SHARE INDEX (698)	1113.02	+1_8	-	4,48	-	33,23	1201.79	1098.59	1898.62	955.2
		hadex No.	Day's Change	Day's High (a)	Day's Low (b)	Nov 22	Nov 21	Nov 20	Nov 17	Nov 16	Year
	FT-SE 180 SHARE INDEX4	2220 5	428 2			2192.1	2185 1	2183.1	2221.4	2289.A	1833
	L 1-2E TOD SUMME THREW HOME										

	FIX	ED I	NTE	REST	r			AVERAGE GROSS REDEMPTION YIELDS	Thu Nov 23	Wed Nov 22	Year ago (approx.
	PRICE INDICES	Thu Nov 23	Day's change %	Wed Nov 22	xd adj. today	xd adj. 1989 to date	1 2	British Government Low 5 years Compones 15 years	9.75	19.11 9.79 9.71	9.98 9.39 9.68
	5-15 years	116.68 130.11	+0.30	116.68 129.72	-	19.50 11.60	67	Medium 5 years	11.17 10.12 9.76 11.29	11.24 19.16 9.81 11.36 10.37	18.37 9.63 9.24 18.58 9.74
4	Irredeemables All stocks	138.83 155.92 128.23	+0.03	138.16 155.88 127.88	-	12.71 13.42 11.52	20	Compones 15 years	9.91 9.78	9.95 9.78	9.24 8.88
7	Index-Linked Up to 5 years Over 5 years All stocks	139.76 138.00 138.02		139.99 138.01 138.04	 - -	2.79 3.21 3.15	12	inflation rate 5% lip to 5yrs. Inflation rate 5% Over 5 yrs. Inflation rate 10% Up to 5 yrs. Inflation rate 10% Over 5 yrs.	3.69 2.90 3.51	3.73 3.69 2.83 3.51	3.33 3.66 2.12 3.51
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prompted implied volatility in FT-SE cells and puts to ease slightly. Implied volatility is a measure of possible future share e guida to participation in the market fell sharply on Wednes-day. Total open interest lell to 738,730, compared with 867,998 price movements. But one analyst warned: "There are still e lot of worries about further sharp themselves before the October trade figures. The day's total was divided between 21,585 calls and 13,696 puts, and compared with 59,935 on Wednesday. The £1.54bn October current Ot the larger FT-SE orders, James Capel was e buyer of 1,000 December 2,250 puts. The trade was said to be based on e neutral the closing of positions as November stock options expired on Wednesday. In contrast, FT-SE account deficil was close to most CALLS POTS Jan Star Jan Jan Mar Jan 460 30 51 58 17 24 33 500 12 29 39 43 46 52 550 31₂ 14 - 86 86 -120 15 20 24 4 8 10 130 10 15 19 8 12 14 Nov Rev Gateway (*237) Option 600 72½ 89 204 5½ 14 18½ 650 36 55½ 71½ 20¼ 30½ 34½ 700 13 32½ 47½ 51½ 59 61½ British Stori 120 8 12½ 15½ 2½ 3½ 6½ [*127] 130 - - 10 - - 12½ 1450 20 - - 5 1500 4 - - 40 200 25 31 36 4 6 8½ 220 11 17½ 24 12 14 17 250 11 - - 12 - - 280 14 14 - - - -700 32 68 90 20 37 750 12 45 72 50 60 28 23 30 5½ 9 12 9 12 - 16 19 ~ November 23 Total Contracts 35,283
Calls 21,585 Pres 13,833
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Shareholders advised to reject Richemont bid as results come in ahead of forecasts

Rothmans advances 21% to top £189m

ROTHMANS International, the tobacco and luxury goods group, yesterday announced a 21.4 per cent increase in pretax profits in the six months to

end-September at £189.1m.
The figure was scored on sales by the company and its subsidiaries of £770m, up from 2658m. If 100 per ceut of sales hy associated companies are added in, aggregate turnover totalled £1.43bn (£1.26m). Earnings per share, after a 39 per cent (40.9 per cent) tax charge, increased from 23.8p to 30.5p.

The figures were ahead of analysts' forecasts, already revised upwards in the wake of good results last week from

good results last week from Dunhill, in which Rothmans holds a 55 per cent stake. Yes-terday, Rothmans' chares gained 10p to 650p. Rothmans also formally

Rothmans also formally advised shareholders to reject the bid from Richemont, the Swiss-based company coutrolled by the South African Rupert family.

Richemout, which already controlled 43.8 per cent of Rothmans' votes, reached agreement to buy out a further

24.9 per cent voting interest held by Philip Morris and, as a result has made a full offer to shareholders. The consider-ation, however, is in unlisted loan notes valued at well below

the current Rothmans price.
Rothmans said that operating profit, again with a 100 per cent contribution from associates added in, was £169.7m on the tobacco side, 14.3 per cent up on the previous year. According to Mr David Montagu, chairman, the improvement reflected further operat-ing efficiencies, with etrong performances coming from Australia, the Netherlands, France and Canada.

France and Canada.

On the huxury goods side —
on a similar hasis, so taking in
100 per cent of Cartier's profits
although Rothmans only holds
a 47 per cent stake — operating
profits increased hy 22.8 per
cent to £57.6m.

That gives aggregated profits of £227.3m, of which the company and its subsidiaries made £113.6m. Rothmans' share of associated companies' profits was £52.6m (£44.6m). About £7m of the aggregate operating profits rise comes from favour-able currency movements. Net interest earned added \$22.7m (£12.5m) to the pre-tax total. Net liquid funds at end-September were £480.7m (£454m). Yesterday, Mr Mon-

tagu said there were "quite a lot of plans for spending on the core husiness" but, in terms of possible acquisitions, there was "nothing in mind at pres-With regard to Richemont's earlier statement that it would

earier statement that it would discuss "ways of enhancing the value of shareholders' interests" with Rothmans in the wake of the offer, Mr Montagu added, "We both have ideas but no plans."

The interim dividend, meanwhile, jumps 77 per cent to 6.2p, but Rothmans sald a major element of the increase reflected a desire to reduce the discrepancy between interim and final payouts.

Pichemont Which has

Richemout, which has investments in financial services and natural resources in addition to its interests in Rothmans, Cartier, Plaget and Baume & Mercier, also



David Montagu: there were quite a lot of plans for spending on the core business but nothing in mind regarding acquisitions

British Gas venturing

into the US oil market

reserves within three years.

The move is to foreshadow a in some of the projects.

invelled a substantial increase in interim profits yesterday. The pre-tax figure rose from £70.9m to £95.1m in the six

BRITISH GAS yesterday said it was about to sign two joint venture agreements worth £70m that would take it for the first time into oil exploration

The ventures are with major US oil companies and would involve exploration and production for oil and gas onshore and offshore in Texas, Louisiana, and the Gulf of Mexico.

They were expected to give

They were expected to give British Gas 200bn cu ft of gas

and production in the US.

months to end-September, with earnings per unit increased from £81.30 to £112.50.

broader expansion in the US in which British Gas would assume operatorship of explo-

ration assets.
Mr Robert Evans, chairman,

said he also hoped to sign con-

tracts early next year for gas production, supply and trans-mission in India, including development of gas supplies for New Delhi, and power genera-

tion plants. Contracts involved in the India work could total £1.5bn, and British Gas has

Blue Chip Systems snapped up for a snip by Ferrari Holdings

By Alan Cane

FERRARI HOLDINGS, the computer group backed by Singer & Friedlander, the merchant bank, has acquired for a song a small company special-ising in computer systems for

The company, Blue Chip Systems Group of Yeovil and Slough, had been losing money heavily as a consequence of the collapse of the residential property market which has meant that estate agents are in no position to spend money on installing computers to auto-mate non-existent husiness. Ferrari announced yesterday that it had acquired the entire share capital of Blue Chip for £1. Blue Chip's net assets according to its last audited report in March this year were

Blue Chip will become a wholly owned subsidiary of Ferrari which has been pursuing an aggressive acquisition

THE US courts have ruled that

an order restraining United Scientific Holdings' proposed disposal of Optic Electronic

Corporation to US-based Imo Industries should continue.

jilted at the altar when Meggitt withdrew its £104m bid for the

defence contractor.

Earlier this week USH was

This means that the \$65m

(£41.61m) disposal deal is effectively dead. Mr Nick Prest, USH's deputy chief executive, said yesterday that although

the decision could be appealed,

hoth parties had already decided against this course of

Instead, USH said that it

This announcement appears as a matter of record only

strategy since it reversed into Cifer. a troubled terminal maker, earlier this year. Two weeks ago it bought a 29.8 per cent stake in Telecom-puting, a mainframe software

company, for £1.21m.

The Blue Chip deal strengthens Ferrari's position in third party maintenance, a growing part of the computing services business. It involves the maintenance of computers from a variety of manufacturers. It is an area that the Ferrari man-agement has singled out as a key element in its business

strategy.

Mr Philip Tilson, founder and executive group chairman of Bine Chip, will remain on the company's board along with Mr Gregory Reece Smith, the strategy for the company of the company's board along with Mr Gregory Reece Smith. the group finance director. Mr Tilson said that stagnation in

US courts bar USH disposal

would attempt to find another

buyer for OEC. Asked how confident he was of finding a suit-

able purchaser, Mr Prest com-mented: "There's always a buyer, hut it's obviously price-related."

He added that there had

He added that there had been other approaches, apart from Imo, over the past months but because of the Imo situation, these had not been entertained. If no one was willing to pay a suitable price, he said that he "wouldn't rule out" retaining the company.

out" retaining the company. OEC, based in Dallas, makes

image intensifiers for night-vi-sion systems, while Imo is the

world's biggest manufacturer

steady pattern of growth with sales of £4.8m and net profits of £284,000 in 1988/39.

In the current year, however, the market for the estate agent systems, which comprised 80 per cent of the company's busi-uess, had vanished. Flans to broaden the com-

Plans to broaden the company's base into specialised software for independent schools, service management and the defence industry had yet to come to fruition. Mr Michael Williams, Ferrari's deputy chairman, said that Blue Chip would strengthen Ferrari's hand in third party maintenance but would also give it a new vertical market niche. He said that Blue Chip was a well-run company with an excellent product which had been unfortunate in the colbeen unfortunate in the col-lapse of its market. When busithe housing market was the sole reason the company was being sold. It had shown a lee on its expertise.

of night sights. The proposed sale was blocked by the Fed-eral Trade Commission in late

October, about a month after Meggitt first launched its bid

for USH, and the temporary restraining order granted.
There was further embar-

rassment for USH over its OEC subsidiary when — later in the bid battle — it transpired that directors of the US company had, without the British parent

company knowing, voted them

selves "golden parachute"

arrangements worth up to \$2.46m if control of USH changed. Similar payments would have been available in

November, 1989

the event of any Imo deal.

Bexbuild ahead 52%

BEXBUILD Developments, the property trader and developer property trader and developer launched in 1984 under the Business Expansion Scheme and which this month came to the USM via an introduction, increased pre-tax profits by 52 per cent from £85,000 to £129,000 in the six months to September 30.

September 30. The directors said the increase in turnover from £610,000 to £1.06m, reflected trading activity during the period and the expected rise in

rental income. The comparable figures for 1988 include the realised sur-

plus of £155,000 on the sale of Harvester House, an investment property. There has been no comparable sales of investment properties in the current year. The directors pointed out that the results did not include any contribution from Newby Properties and Spurglade Properties, acquired in August.

Tax took £45,000 (£84,000) leaving earnings per share of 3.3p (6.2p); there is no interim payment but the directors confirmed their earlier forecast of

firmed their earlier forecast of an increase in the dividend for the year as a whole from 1.8p

Amercoeur rights issue

AMERCOEUR ENERGY is to raise up to £365,000 net through a rights issue of up to 19.74m new ordinary shares.

The group wants to reduce its dependence on fluctuating coal prices and the proceeds of the issue will enable it to look at potential acquisitions. The shares will be issued on a one-for-one basis and offered

at 2p apiece. The proposed

issue price represents an 80 per cent discount to the market. Undertakings to take up their entitlement have been obtained from shareholders representing 41.8 per cent of the equity.

The company intends to reorganise the existing ordinary so that all ordinary shares will have the same nominal value.

Pennant subsidiary files for Chapter 11

By Ray Bashford

PENNANT PROPERTIES, the Australian-controlled international development company, general development company, yesterday announced that Bay Financial, the Boston-based property group in which it has a 56.3 per cent stake, is seeking protection from its credi-

tors under Chapter 11.

Pennant Properties directors said that the filing for Chapter 11 will allow the company to reorganise or wind up the affairs of Bay Financial.

affairs of Bay Financial.

The US company is carried in Pennant Properties' account for the the year to June 1989 at £2.13m, after the board's decision to write-down the value of the investment by £31.38m. This followed an £8.6m write-down in the Bay Financial stake during the previous 12 months.

28.6m write-down in the Ray
Financial stake during the previous 12 months.

As a result of Bay Financial's problems, Pennant Properties was forced to ask its
hanks for support after
breaching the minimum net
worth provisions on its two
principal loans.

Bay Financial shares have
fallen from about \$9 to \$1.50
as the company has been hit
hy what Pennant directors
describe as excessively high
gearing and "soft" conditions
in the US property market.

The investment in Bay
Financial was inherited when
Pennant Holdings acquired the
stake two years ago and
changed its name from Comtry and New Town Properties.

The controlling interest in
Pennant properties was
brought from British and Com-

Pennant properties was brought from British and Com-monwealth.

Third Market for Biocure with £2m placing

By Vanessa Houlder

BIOCURE HOLDINGS, a medical research company, is joining the Third Market in a placing that will raise £2m.

It is the latest addition to a clutch of medical research companies on the Third Market. They include Medirace, which is working on a treat-ment for Aids and cancer; ML Laboratories, working on a treatment for kidney failure; and Haemocell, which makes

and Haemocell, which makes equipment to filter patients' blood during surgery. Biocure, which has previ-ously raised money under the Business Expansion Scheme, was formed in 1984 to exploit work ou tissue growth. The company believes it has the potential to treat soft tissue injuries, arthritis, wounds, burns and cancer.

It also believes that it has isolated a substance that can be used in cosmetic prepara-tions to alleviate broken nails and promote nail growth.
Allied Provincial Securities is placing 5.24m shares at 42p each, representing 17.75 per cant of the enlarged share cap-ital. The funds raised will be used to continue the development programme.

SAUR increases its stake in two private water companies

SAUR WATER Services, a subsidiary of Bouygues, the French construction group, has increased its stake in two pri-vate UK water companies, Mid Keut Holdings and Rickmansworth Water. The statement came the day

after the Government's announcement of the common share price for the flotation of the 16 former water authori-ties. It has revived speculation that French water suppliers – which already own 12 of the 29 private statutory companies — will be enthusiastic buyers of shares in the new public limited companies. Dealings begin

on December 12.

Mr John Stansby, SAUR
Water Services chairman, would not comment on the pos-sibility of investment in the newly privatised water compa-nies. For the first five years stakes would be limited to a maximum of 15 per cent in

each company.

However, it is thought that SAUR, which owns three statutory companies in Southern Water's region, would be more likely to concentrate on operating subsidiaries in the UK rather than making passive investments. SAUR is already involved in two waste disposal

joint ventures, with Southern and Welsh Water. Statutory water companies supply water alongside the 10 former authorities.

The other main overseas invectors in that sector are Compagnie Générale des Eaux, France's largest water supplier, and Lyonnsise des Eaux, which has a strong strategic position in Northumbrian Water's region. Both said yesterday it was too early to comterday it was too early to com-ment on investment in the new

SAUR has increased its hold-ing in Rickmansworth Water Company, in Thames Water's

area, to 29.9 per cent.
SAUR has also taken its stake in Mid Kent, already a publicly quoted company, to 18.6 per cent. Mid Kent is also in Southern's area and Generale owns 29.9 per cent.

Strong all-round activity gives Chancery 33% rise

By David Lascelles, Banking Editor

CHANCERY, the banking and financial services group, reported pre-tax profits of 23.86m for the six months to September 30. This was an increase of 33 per cent over the corresponding period a year

Earnings per share rose 18 per cent to 11.6p. Mr Harvey Cohen, chairman Mr Harvey Cohen, chairman and chief executive, said all parts of the group had performed strongly against a difficult economic background.

The group had had to make provisions against its property loan portfolio, but Mr Cohen stressed that repayments were running ahead of budget,

The group had an exposure

The group had an exposure

financial and advisory services, corporate services which included Business Expansion Schemes, and stockbroking all made progress, reported Mr Branston & Gothard, the group's stockbroking subsid-iary, had a good period,

increasing its first half profits by over 20 per cent despite low volumee on the Stock The interim dividend is

of £1.4m to Kentish Properties, the troubled Docklands devel-

oper, but had recovered all of this sum.

Chancery's activities in

increased by 24 per cent to

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corres - ponding dividend	for year	Total last year
Black Arrowint	1	Jan 2	1	-	3.75
Bootsint	3.85	Feb 5	3.5	-	10
Calorint	6	Feb 12 .	6		17.6
Capital Radio	12t ~	Jen 19	7	18	. 10
ChanceryInt	3.11	Jan 19	2.5	-	8
City Gate Ests 5int	1.84	Feb 23	1.0875	-	5.625
Edbroint	31		3	-	11
Fulgrum inv Tetfin	5.254	Dec 29	4.4	7.8	6.85
Grampian TVint	0.7	Jan 8	0.6	_	3
IWP tostint'	2541	-	1.5	-	4.5
Mortandfin	7.1	-	8.25	10.25	9.05
Powell Duffryn	8.6	Jan 3	6	•	20.5
Rosshaughfin	2	Dec 21	1.6	2	1.6
Rothman Inti	6.2	Jan 23	3.5	-	12.3
Scottish inv Tstfin	2.53	Feb 15	2.2	3.68	3.2
Sidiawfin	4.7	Jan 29	4.25	7.7	7
TR Prop lay Tstint	0.6	Jan S	0.35	_	1.2

Dividends shown pence per enare net except where otherwise stated. "Equivalent after allowing for scrip issue. 10n capital increased by rights and/or acquisition issues. §USM stock. §§Unquoted stock, ¶Third market. ♣irish currency. ♠Per income share

BOARD MEETINGS The following companies have notified dates of board meetings to the Stock Ecohange. Such meetings are usestly held for the purpose of considering dividencia. Official indications are not available as to whether the dividends are interims or finals and the substantial of the state of the st Nov. 26 Nov. 25 Dec. 5 Dec. 11 Nov. 27 Nov. 30 Dec. 6 Dec. 7 Dec. 7 Dec. 4 Nov. 30 Dec. 4 Dec. 6 TODAY

AMP offers immediate exchange of loan notes for Pearl Group shares

ground in takeover practice by offering shareholders in Pearl Group - which is facing a £1.24bn hostile takeover offer from the Australian company the opportunity to receive immediately loan notes as an alternative to the cash

AUSTRALIAN Mutual loan notes to those included in Provident is hreaking new the revised bid announced last

Shareholders in the UK life assurance company will be able to exchange their stock for loan notes on the presenta-tion of their share certificates rather than wait for the bid to go unconditional. AMP also announced that it

AMP, Australia's biggest life insurer, is offaring identical has lifted its holding in Pearl to 39.92 per cent of the capital

following share market pur-chases at the revised 690p offer

price.

AMP launched its revised hid already holding 18 per cent of Pearl's capital. A market raid on Thursday last week, immediately after the offer was increased from 605p, netted the company a further 20 per cent, and since then it has succeeded in buying a further 1.92 per cent of the shares.

COMPANY NEWS IN BRIEF

APRICOT COMPUTERS: Singer & Friedlander Invest-ment Management has, on behalf of a discretionary client, sold 4,770 ordinary. Following the disposal, S&F owns 10.73m (14.62 per cent) for its own account and 173,000 (0.24 per cent) held for discretionary and non-discretionary clients by S&F Investment Manage-

ATLANTIC RESOURCES has raised IS3.06m (£2.84m) in the rights issue it launched to raise about IC2.94m. It received I22.64m in subscriptious for 2.75m units - 90 per cent of the units offered to shareholders. Of the units subscribed for, 1.84m (60.2 per cent) were subscribed for during the offer period and the remaining 914,000 (29.8 per cent) were sold fully paid on the market by the company's stockbroker. The remaining 305,113 units will be taken up by underwriters. The company also received 1£124,000 from the unsecured convertible loan stockholders who subscribed for 1.55m ordinary and 647,725 warrants on similar terms to the rights

BAT INDUSTRIES, the tobacco-based conglomerate, yester-day confirmed that it bought in

4m shares in the wake of the announcement of its third quarter figures on Wednesday. A total of 1.5m shares were A total of Loin shares were acquired at 785p and another 25m at 780p apiece.

CALA: the directors have bought 2m ordinary shares,

pringing their interest to 18.7 per cent of the capital, and a further 500,000 are being placed with staff and individuals. The holdings represent the Stenhouse family interests and sales being made in order to invest in directly-owned ven-

CRONITE has bought both Abtex, a fire extinguisher man-ufacturer, and ABC Powders, which makes extinguisher powder, for a nominal consideration of £1. Total liabilities being assumed are approxi-mately £320,000. Abtex made a loss before tax of £273,000 in

which represents 5.9 per cent of the group's uet assets as shown by the 1988 financial

statements. The purchase was financed by an additional secured bank line of credit. The property consists of four listed houses/barns and a small farm of 168 acres. ROPNER has sold Normandy House, Alencon Link, Basings-

toke, for £12.5m cash to Scottish Widows Fund and Life Assurance Society. The prop-erty is the principal asset of Greytown Investments, the company's 60 per cent owned property offshoot.
ROSKEL has acquired the Reading assets of Phased Alu-

minium Components and Parti-

tioning Components for a total £1.08m cash. Both are members of the Phased group and currently concentrate on sales of partitioning components.
ROSS ELECTRONICS: The rights issue at Ross Consumer Riectronics has been taken up

sideration will be the issue 126,000 RPS shares.

Interim Results 1988/89

'Well balanced for the future'

Half year ended Profit before tax £13.2m £13.5m £33.9m Earnings per share 14.2p 15.4p Dividends per share 6.6p 20.5p

●Good progress in Shipping and Engineering off-set the weather-related deterioration in Fuel Distribution and Bulk Liquid Storage. Excluding the abnormal Fuel Distribution results, trading profits advanced 171/2%.

The evident strengths in our Shipping, Engineering and Construction Materials businesses augur well for the future and the return of normal winter weather conditions should counteract the impact of any further economic downturn.

I therefore continue to have confidence in our future.







Uncommitted Cash Advance Tender Panel Facility

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Co-operative Bank p.Lc. The Dai-Ichi Kangyo Bank, Limited

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di Torino, London Branch Société Générale, London Branch Union Bank of Switzerland,

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The Sumitomo Bank, Limited

Arministra

UK COMPANY NEWS

Hot summer knocks Calor back to £8m

THE SUNNIEST summer for more than a century provided only gloom for Calor Group, the liquid petroleum gas supplier. Its pre-tax profits in the six months to September 30 tumbled from £11.6m to

While turnover rose slightly to £118.7m (£117.5m), earnings fell from 4.7p to 3.2p per share. However the interim dividend is unchanged at 6p.

This will be the last time Calor reports results at this time of year. It is switching to a December 31 year-end and will report nine-month figures

Mr Michael Davies, chairman, said that Calor had suf-fered this time because "the mildest winter in living mem-ory had been followed by a long dry summer". Mr David Mitchell, chief

exacutive, said that the increase in turnover at a time when profits were falling was due to proceeds of gas trading without which turnover would have been 1 to 2 per cent lower than in 1988 and that the warm summer had meant there was a different mix in consumer

calor had sold proportionally less buttone and more pro-pane. Butane, which tends to be sold to domestic consumers in bottles, offers a higher margin. Demand from the industrial sector for gas had held up, said Mr Mitchell.

He said the dividend had not increased because "you must make money before you pay

Calor has also suffered, he said, hecause the warm weather and high interest rates had depressed demand for the fitting of central heating

The company undertook only 5,000 conversions of houses to LPG central heating, down from 10,000 last time. Quite apart from the effect on Calor's conversion business, this also meant a downturn in the rate of growth of the LPG customer base.

The company had not suf-fered from the heightened awareness of environmental

vendors of which they may gift up to £40,000 to Nathaniel Lich-field staff. There will be fur-

ther payments of £750,000 cash in December 1990 and up to

2487,000 dependent on profits

in the next two years.

In the year to June 30
Nathaniel Lichfield reported pre-tax profits of £378.000 on work done of £1.37m.

Mr Michael Aukett, chairman, said that Nathaniel Lichfield

field was the largest indepen-dent company of town

concerns, Mr Mitchell main-

Calor had been doing work on LPG-powered forklift trucks, he explained. Because of the low level of exhaust formes, these can compete with electric vehicles in the market for loading food in enclosed

Mr Mitchell added that bottled butane was a far more efficient energy source for provid-ing household heat than was electricity.

COMMENT

The downturn in profits at Calor hardly came as a surprise. What sent a shiver through the City, and prompted analysts to down-

planners in the UK and that it

offered his company a chance to expand into urban planning

"Apart from Docklands, urban renewal has not been dealt with in the UK," said Mr Ankett. The acquisition would leave Ankett qualified to handle renewal and also environ-

mental impact studies, which he said would become more

Mr Aukett said that the two companies had worked

important.

"Apart from Docklands,

takes three Ladbroke grade forecasts, was Calor's failure to increase the dividend. It might be that Calor companies believes it made a mistake last year when it lifted its dividend half a penny to 6p, thereby cut-ting dividend cover from 1.7 to Vanessa Houlder 1.4. On the other hand it may WILLAIRE GROUP, the be that the low dividend is the environmental protection and electronics company, is to pay

company's way of signalling chilly times ahead. Forecasting profits for Calor is as difficult profits for Calor is as difficult as forecasting the weather a year ahead. Analysts differ widely, but 1989 profits after tax of less than £25m or a further dividend below 9p would disappoint. A meaningful p/e ratio is not possible for this year. however, taking a post-tax profit of £56m for 1990 gives an eps of 350 and a p/e of 13.

together for seven years and that the acquisition followed nine months of negotiations. Mr Nathaniel Lichfield, the

would be staying on, said Mr

long term the companies would

probably merge on one site.

Mr Aukett said that in the

Aukett.

sectronics company, is to pay 58.63m for three companies that were formerly part of Thomson T-Line, the industrial holding company bought in February by Ladbroke Group, the international leisure company Willaire also announced a

Willaire also announced a
£5.2m rights issue to finance
the cash element of the bid
and reduce borrowings.

Willaire is buying PF&F
(Radcliffe), which makes fume
cabinets and axtraction an ens of 33p and a p/e of 13. systems, for £5.88m; Cygnet, a maker of laboratory and hospital furniture, for \$50,000; and BATS, a computer systems and maintenance company, for

Willaire

£2.7m.
The sale is part of Ladbroke's strategy of disposing of the industrial interests of T-Line, leaving the Vernons football pool business.

founder of the eponymous com-pany, would be joining the board of Aukett, three Lich-field employees would join that company's board and all 36 of its staff, 19 of them planners, For Willaire, the acquisi-tions are expected to help it build a broad portfolio of prodncts and services for the envi-ronmental protection market.

Pre-tax profits of PP&F for the 17 months to April 30 were £845,000. In the year to March 31, BATS made £185,000.

Classic seeks I£2m to improve form

By Jane Fuller

THE DISAPPOINTING form of its racehorses has led Classic Thoroughbreds to seek a further 1£2m (£1.85m) through a rights issue.

The money will be spent partly on the purchase of yearlings and partly on training the two and three-year-olds which it is hoped will do better than their predecessors next

The Dublin-based compa directors incloda Mr Robert Sangster, leading racehorse owner four times in the seven years to 1983, company chairman Mr Vincent O'Brien, the man Mr vincent of Blass, the trainer whose Derby winners include Sir Ivor, Nijinsky and The Minstrel, and Mr Michael Smurfit, chairman of the paper and packaging group Jefferson Smurfit

But in spite of the illustrious names, it has been an uphill gallop to buy top class horses in a market dominated by Arab buyers, notably the Maktoum family of Dubai.

This year 30 of the company's horses raced, but although they notched op 20 wins and 18 places, this amassed little more than I£123,000 in prize money. The big hopes for the classic races - Saratogan, Classic Fame and Puissance - either failed to live up to their promise or had injuries. It was boped that this year's batch of more than 30 threeyear-olds would sell on lucratively as breeding stallions, but they have turned out to be worth considerably less. The been expressed as an excep-tional item of E5.2m, contributing to a pre-tax loss of 1£5.74m in the six months to

June 30. Since then, the company which was floated on the Dub lin stock exchange in October 1987, has spent about 162.6m on 21 yearlings, and it is esti-mated it will raise between IE2m and IE3m by selling three-year-olds.

The two-for-five issue involves the placing of 23.1m shares at 9p each. The directors own 40 per cent of the shares and have agreed to take up their full entitlement, which would raise IS800,000.

Classic Thoroughbred's shares reined in by 1p yesterday to close at 11p.

Gt Southern buy

Great Southern Group, the funeral services company, has increased to 12 the number of crematoria it operates with the purchase of the freehold prop-erty and goodwill of The Counties Crematorium, Northampton for £415,000 cash. The property was valued in September at £575,000.

Vistec expands with £650,000 software buy

Vistec Group, the USM-quoted computer services and supplies company, has agreed to pay up to 2550,000 for Loxton Business Systems, a Kent-based supplier of computer software systems

and support services.

The initial consideration of £325,000 will be satisfied by the issue of 1.3m naw ordinary shares at 25p each, represent-ing some 1.2 per cent of Vis-tec's existing capital.

A further payment of up to £325,000, also to be satisfied by the issue of 1.3m shares at 25p, will be due on November 24

The vendors have undertaken not to dispose of tha shares issued as the initial conafter the completion date.

They also agreed not to sell the further shares issued as the additional consideration until 12 months after their The directors said that the

acquisition would strengthen Vistec's position as a supplier of information technology systems to the financial services market. Loxton made pre-tax profits

of £30,000 from turnover of £582,000 in the year to end-Sep-tember 1988 but in the 1989 year showed a loss of £16,000 on revenue of £569,000.

Aukett purchases Lichfield in £2.6m deal

AUKETT ASSOCIATES, the architecture, design and build-ing management group, is to buy Nathaniel Lichfield and Partners, specialists in urban development, design and economics, in a deal worth a maxi-

mum £2.6m. Aukett, floated on the stock Aukert, Hoazed on the stock market in 1988, will make an initial payment of £1.35m, of which £750,000 will be cash from a vendor placing of Aukett at 107p and £600,000 will be in Aukett shares for the

TR Property nav up to 68.5p

TR PROPERTY Investment Trust saw continued growth in the six months to September 30, with net assets rising from £171.94m to £180.04m and net asset value increasing from

60.8p to 68.5p per share.

Barnings per share rose to
1.35p, compared to 0.88p at the
same time last year. Net revenite was £3.49m (£2.28m). Total income for the six months rose to £7m (£4.67m). largely due to increased divi dend income and further prog-ress in results from Trust Union Properties, the property

trading subsidiary.

The interim dividend is

THE BOOTS COMPANY PLC

Record profits up 20.8%

Record performance from Boots The Chemists

INTERIM RESULTS

Results for the half year ended 30th September 1989 (unaudited)

1989 1988 Turnover (excluding VAT) £1,424.1 m Pre-tax profit £159.9m £132.4m +20.8% Earnings per share 11.7p +19.4% 3.85p +10.0% Interim dividend

EFFECTIVE MONDAY 27TH NOVEMBER 1989 THE TOB AMERICAN EXPRESS BANK OFFICE AT 24 GRAFTON STREET, LONDON WIA 2HL WILL RELOCATE TO

TDB American Express Bank

60 BUCKINGHAM PALACE ROAD, LONDON SWIW ORR

THE GENERAL TELEPHONE NUMBERS WILL REMAIN:

> (01) 491 2211 (01) 409 0838

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BOOTS THE CHEMISTS DIVISION

 Outstanding performance with sales up 11.4% and profits up 29.2%, confirming the success of our high street retailing format.

RETAIL DIVISION

- Newly formed division, incorporating Halfords, Payless DIY and A.G. Stanley, Boots Opticians, Childrens World and the overseas retail operations.
- Optical outlets expanded by the purchase of Miller and Santhouse on 14th September.

PHARMACEUTICALS DIVISION

- Sales up 11.7% and profits up 6.1%.
- Continued success of our North American business resulted in sales up 22.8%.

PROPERTY DIVISION

 Skilful management of the Company's UK property portfolio generated profits up 19.9%.



The interim report will be posted to shareholders on 28th November 1989 and will be available from the Secretary of The Boots Company PLC, Notlingham NG2 3AA.

AMERICAN EXPRESS BANK

INCORPORATED IN SWITZERLAND

WITH LIMITED LIABILITY

Standard & Chartered

Standard Chartered PLC

£150 million Subordinated Floating Rate Notes due 1996

In accordance with the provisions of the Notes, notice is hereby given that for the three month period from 22nd November 1989 to 22nd February 1990 the Notes will bear interest at the rate of 15.2875 per cent per annum.

Interest per £5,000 Note will amount to £192.66 and will be paid for value 22nd February 1990 against surrender of Coupon No 15.

Standard Chartered Merchant Bank Limited Agent Bank

Residential Property Securities No. 1 PLĆ

£200,000,000

Mortgage Backed Floating Rate Notes 2018

The rate of interest for the three month period 22nd November, 1989 to 22nd February, 1990 has been fixed at 15.5375 per cent. per annum. Coupon No. 7 will therefore be payable on 22nd February, 1990 at £3,916.30 per coupon.

Aggregate interest charging balances of Morrgages redeemed during the previous Interest Period: £16,935,036. Aggregate interest charging balances of Mortgages redeemed as at 21st November, 1989: £82,381,938.

Agent Bank

The aggregate principal amount of Notes outstanding as at 21st November, 1989: £200,000,000. S.G. Warburg & Co. Ltd.

UK COMPANY NEWS

Shares lose ground as takeover speculation recedes

tions of the annual figures,

and the price soon fell back.

The group announced that

on June 30 1989 - the end of

This was in the middle of City

estimates and provoked little interest in a market which has become accustomed to such

But a warning hy Mr Brad-man, that the current year will be "a difficult period for the

property sector until interest

Rosehaugh improves to £36m

ROSEHAUGH, the sprawling property group led by Mr God-frey Bradman, yesterday lost nearly six per cent of its mar-

ket value. The latest hout of bid rumours evaporated against the hackground of an analysts concluded that the speculation was ill-founded. announcement of predictable results - profits were up from £30.38m to £36m - and a warning of more difficult conditions its financial year - net asset value had climbed to 755.2p per share from 562.2p in June 1968. for property companies.

The share price, after a rise of 94p in three successive trading days, dropped 33p to

521p.
Rosehaugh's price had been buoyed by a renewed outburst of speculation that the com-pany has been engaged in talks which could lead to a takeover by Olympia & York.

Sharp increase

by City Gate

City Gate Estates, the London-based commercial

property developer headed by Mr James Gulliver, has already beaten last year's result at the

half-way stage with pre-tax profits of £5.63m for the six

Revenue for the year came to \$5.27m and in the previous first half the figure was \$533,550.

Mr Gulliver said profits for

the current year as a whole were unlikely to be signifi-

cantly higher as completions had fallen mainly in the first

half. Borrowings at September 30 were £9.75m, some 46 per cent of shareholders' funds.

Turnover at the USM qnoted

company in the six months rose to £13.16m (£3.25m). There

was a £2.21m cootribution (nil)

profit from a joint venture.

The interim dividend is

raised to 1.94p (1.6875p) from earnings of 22.2p (2.6p).

months to September 30.

to £5.63m

rates begin to fall and investor confidence returns, chimed This is the Canadian group controlled by the Reichmann brothers and which is developwith generally gloomy market ing Canary Wharf. When, after hearing explana-

Yet this sort of warning is becoming characteristic of chairmen at property compa-

In 1988-89 net profits slipped to £25.08m, from £28.97m, as tax jumped to £11.03m (from £1.4m net of a £6.9m credit).

The effect of higher tax came through in earnings per share which fell from 45.55p to 36p; but they were still sufficient to the dividend 18

following its usual modest dividend policy, Rosehaugh is paying 2p, against 1.6p last time. The company prefers to use profits for strengthening

the asset base.
Rosehaugh's net assets rose
to £479m from £368m over the last financial year, reflecting the valuation for the first time of three phases of Broadgate.

This is the joint venture with British Rail Property

Board and Stanhope Properties that is both the biggest office development in the City of London and the centrepiece of Rosehaugh's development and investment portfolio.

During the current year the assets should be increased further by the valuation for the first time of another phase at Broadgate and also by a rent review at 1 Finsbury Avenue, another large property in the

Micklegate Group to join USM with £14.5m tag

MICKLEGATE Group, a West Yorkshire-based property com-pany, is joining the USM in a placing that will valua it at £14.5m. Dealings are expected to start on December 6.

Allied Provincial Group is placing 4.4m shares at 75p. About 16 per cent of the enlarged capital is being placed to raise £2m in new money for the company, while existing shareholders are placing 6.9 per cent of the enlarged capital to raise £1m.

The group is mainly con-cerned with industrial and commercial property development, design and project man-agement. It also provides archi-tectural, surveying and commercial development consultancy services and residen-tial housing development.

The company said it viewed the future of the property mar-ket with selective optimism and it was pleased that it had no exposure to tha London

office market. Mr Trevor Barker, the chairman and former head of John Crowther, the carpet company, said he believed that demand in the north would continue to hold up as there was a short-age of office space and it was not usually subject to the same peaks and troughs as the south-east.

In addition, a lot of Mickle-gate's huildings are sold in enterprise zones to tax-shelter individuals, he said. Pre-tax profits for the year to

April 30 are forecast to be at least £2.3m, putting the shares on a p/e multiple of 8.8.

Second-half upturn at Morland

Morland, the Thames Valley Brewer in which the Whit-hread Investment Company has a stake of some 42 per cent, managed a second half revival to produce a 7 per cent profits rise from £6.19m to £8.62m for

the year to end September.

In the first half profits fell from £3.08m to £2.11m due to snbstantially lower property

Turnover rose 10 per cent from £22.96m to £25.16m. Oper ating profit rose to £4.04m (£3.53m) and the surplus from property disposals fell to £2.37m (£2.51m). Net interest received came to £206,000 (£159,000).

After unchanged tax of £1.33m, earnings per share came through at 63.4p (53.6p), or, excluding the surplus on property disposals, 35p (30.2p). The dividend for the year is mised to 10.25c (3.65c) raised to 10.25p (9.05p).

Kewill Systems advances 55% to £1.13m midway

By Alan Cane .

KEWILL SYSTEMS, a USMquoted computing services company specialising in manufacturing software, looks set for another good year after a strong performance at the

half-way stage.
Sales for the six months to September 30 were 49 per cent up on the same period last year at £8.06m while pre-tax profits were up 55 per cent at

Earnings per share were 11.03p (10.12p fully diluted) compared with 8.21p (7.52p)

last time.
In line with the company's normal practice, no dividend is recommended for the six month period. Last year, when pre-tax profits totalled £1.8m, the directors recommended a

the directors recommended a dividend of 2.2p.

The overall figures hid considerable differences in performance between Kewill's various divisions. Manufacturing Systems showed strong growth both from Micross, the company's microcomputer based software, and its Trifid Systems subsidiary which supplies manufacturing software for a range of minicomputers.

for a range of minicomputers.

Mr JK Overstall, chairman, said there was a steady demand for manufacturing software whether industry was

in boom or recession. Trific was installing its systems at the rate of two a month, he

Kewill-Xetal, which supplies systems to the garment manu-facturing sector, was facing tough competition but was having success with its elec-tronic document interchange (edi) software and expected to improve on its first half profits contribution of £32,000.

The company's major disap-pointment was Omicron Soitware, a maker of accounting software acquired in March this year. It showed a £15,000 loss on revenues of £1m.

Drastic reorganisation was expected to result in a return to profitability in the next six months, Mr Overstall said. The company is showing an

acute awareness of the major technological trends. Its manu-facturing software has been adapted to the fast-growing Unix operating system and it has developed a new and shaple method of displaying management information.

It is also experimenting, with

the aid of a 12m Department of Trade and Industry grant, with a new and potentially very pro-ductive method of creating software, object oriented pro-gramming.

Edbro warns after good first half

Edbro enjoyed a good first half, with profits ahead 33 per cent, but sounded a warning about

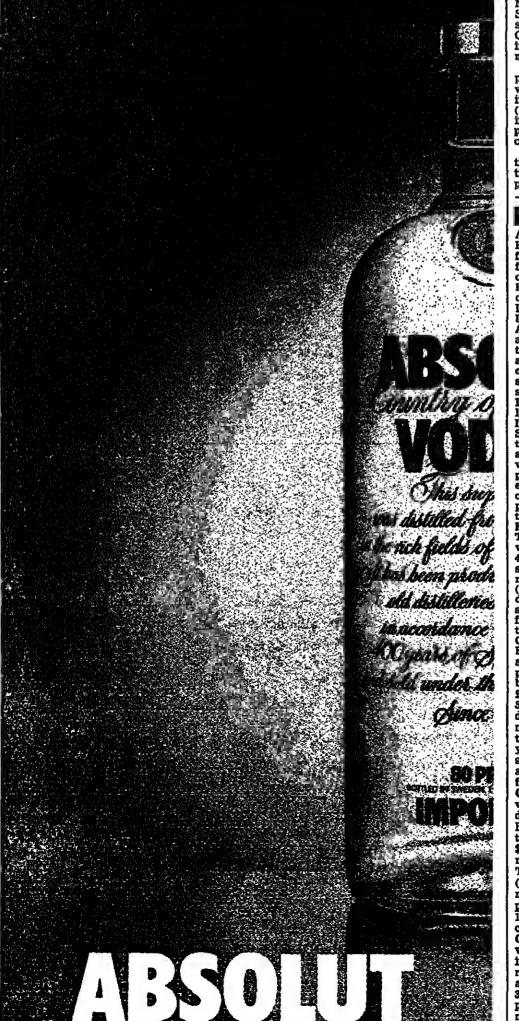
the current period.

The group, which makes hydraulic tipping hoists, truck bodies and skip loaders, said its two biggest markets — the UK and France — dropped sharply and quite suddenly in carls autumn, and were contiearly autumn, and were con-

tinuing to decline.
This meant that second half sales and profits would be down on the opening six months. The latter period had seen sales rise 19 per cent to £17.1m (£14.4m) and profits move up to 22m (21.5m).

Earnings came to 16p (13p)
and the interim dividend is

again 3p.



Scottish Investment Trust nav rises 19%

NET ASSET value of the Scottish Investment Trust cent to 27.2 per cent in the US, stood at a record 197.8p on and a rise from 11.9 per cent to stood at a record 197.8p on October 31, a 19 per cent increase over the 166.5p of 12 months earlier

Directors said the overall of 18 per cent over the £467.7m performance was satisfactory a year earlier. with particularly good results in the Far East - 9.7 per cent (12.1 per cent) of its assets are in Japan and 7.9 per cent (6.3

The geographical distribution of assets showed a reducper cent in the UK but there 15 per cent in Europe. Total assets at market valuation were £552.3m. an improvement

Gross revenue for the year to October 31 was £19.02m (£17.7m), an increase of 7.5 per cent, and pre-tax profits were £3.81m (£3.41m) earnings per stock unit were 3.7p (3.17p). A final dividend of 2.53p makes a total of 3.68p (3.2p), an increase of 15 per cent.

NEWS IN BRIEF

APV has acquired Tweedy Holdings from British Arkady for £2.9m which will be satisfied by the allotment and issue of 2.3m APV ordinary shares. British Arkady is a whollyowned subsidiary of Archer Daniel Midland, based in the

AT TRUST has completed the acquisition of Chef's Apprentice for 2.14m ordinary shares at 65p; further profit-related consideration of up to 461,500 shares can he issued at the

EPICURE INDUSTRIES: wholly-owned subsidiary. Epicure Industrier, has repaid loan to Sveriges Investeringshank through Kri2m (£1.15m) cash and the issue of 40,000 shares valued at £885,000. Epicure will purchasa those shares in exchange for the issue of 2.95m of its own, which have been placed at 30p each with institu-

Trust: At end-October net asset value per income share was 42.11p (41.98p) and per capital share 15.54p (16.24p). Net revenue hefore tax was £339,415 (£311,283). A second interim dividend of 5.25p per income share is declared in lieu of a final, making 7.8p (6.95p) for

the year.

GLASGOW INCOME Trust:
First annual report showed net
asset value of 51.97p for the period June 28 1988 to September 30 1989. Gross revenue was £1.65m and earnings per share 3.72p after tax of £385,000. Final dividend of 1.15p proposed making 3.45p. Board intends that total dividends for current year will be not less than 3.1p, some 10 per cent higher than annual equivalent of total paid for past 15 months.

GOVETT AMERICAN Endeayour Fund, an offshore dollardenominated fund managed by Berkeley Govett, reported pretax profits up from \$4.11m to \$5.56m (£3.57m) for the six months to end-September. Total income was \$9.81m (\$7.19m) and net asset valus moved up from \$1.88 to \$1.94 per £1 share. Earnings were 10.18 cents compared with 7.5

GOVETT ATLANTIC: Net asset value rose from 158p to 201.19p in the year to end-October. Net revsnns £3.19m (£2.87m adjusted) giving earnings of 3.87p (3.54p) per share. Proposed final dividend of 2.3p makes 3.5p (3.15p). HARDY OIL & Ges, the inde-pendent oil company formerly

part of Trafalgar House, has acquired 20 per cent interests

in five offshore exploration blocks in the Netherlands. The blocks were awarded to a group of which Hardy is a member in the 7th round of offshore allocations. HAY & ROBERTSON lost

£10,335 before tax in the year to May 31, compared with a £21,874 profit previously. Turnover fell to £356,600 (£411,600). There was an extraordinary profit of £75,755 (nil) from the sale of freehold land. Earnings per share came to 0.087p

(0.029p). There is no dividend for the year. ISS-INTERNATIONAL Service System's subsidiary, ISS Clor-ius International, has reached agreement with Thorn EMI concerning the sale to Thorn of its subsidiary ISS Clorius spe-cialising in building manage-

ment systems.

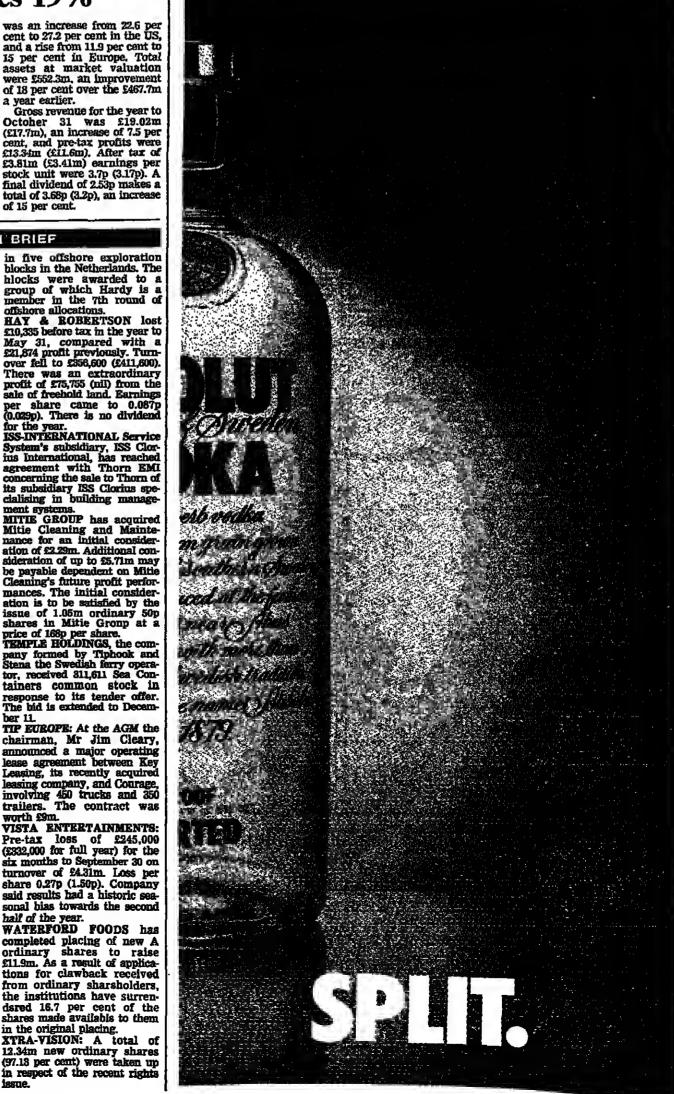
MITIE GROUP has acquired
Mitie Cleaning and Maintenance for an initial consideration of £2.29m. Additional consideration of up to £5.71m may be payable dependent on Mitie Cleaning's future profit performances. The initial consider-ation is to be satisfied by the issue of 1.05m ordinary 50p shares in Mitie Group at a

price of 168p per share.
TEMPLE HOLDINGS, the company formed by Tiphook and Stena the Swedish ferry operator, received 311,611 Sea Containers common stock in response to its tender offer. The bid is extended to December 11. TIP EUROPE: At the AGM the

chairman, Mr Jim Cleary, announced a major operating lease agreement between Key Leasing, its recently acquired leasing company, and Courage, involving 450 trucks and 350 trailers. The contract was VISTA ENTERTAINMENTS:

Pre-tax loss of £245,000 (£332,000 for full year) for the six months to September 30 on turnover of £4.31m. Loss per share 0.27p (1.50p). Company said results had a historic seasonal bias towards the second half of the year. WATERFORD FOODS has completed placing of new A ordinary shares to raise

£11.9m. As a result of applica-tions for clawback received from ordinary sharsholders, the institutions have surrendsred 16.7 per cent of the shares made available to them in the original placing. XTRA-VISION: A total of 12.34m new ordinary shares (97.13 per cent) were taken up



1

UK COMPANY NEWS

Fuel distribution side hit by surfeit of stock and reduced demand Powell Duffryn slips to £13.2m

By Jane Fuller

1

WARM WEATHER caused \$2.06m last year and \$452,000 profits in Powell Duffryn's core fuel distribution business to wilt in the six months to Sep-

Although engineering and shipping made progress, it was not sufficient to ward off a fall in pre-tax profit from £13.52m to £13.22m. Turnover advanced

6 per cent to £334.94m.
The decline would have been greater had it not been for a £1.2m pensions credit and the disposal of a loss-making French busines

Mr David Hubbard, chair-man, said fuel distribution was hit first by a surfeit of stock after a mild winter, and then by the lack of demand from farmers for grain drying.

The company had invested heavily in fuel distribution, but unseasonal conditions saw the division's first-balf trading profit fall from £3.4m in 1987 to

On a restated hasis, IWP

International, the Dublin-based diversified household products and industrial group, increased pre-tax profits by 28 per cent in the haif year to

From turnover ahead 59 per cent to I£35m (I£21.95m) profits expanded from I£3.52m to

I£4.5m (£4.2m). Earnings were

13.9p (11.3p) and the interim dividend is raised to 2.5p

(1.5p) on increased capital. Mr Joe Moran, chairman, said all four divisions (house-

hold products, industrial prod-

ucts, printing and packaging, and telecommunications)

traded satisfactorily. However,

results of the latter were

affected by rising costs in the development of a new product, which will start to sell in the

first half of 1990-91.

A split of the operating profit showed household

121.87m (12751,000), industrial 12997,000 (12352,000), printing

and packaging 1£1.54m (I£1.86m), telecommunications I£1.07m (I£1.08m), group loss

Geographically, Ireland

I£2.09m

accounted for 152.09m (191.13m), UK 152.41m (152.2m), and the Netherlands 15688,000 (15169,000).

I£301,000 (I£32,000).

IWP advances

to I£4.5m

at halftime

ptember 30 1989.

this time.

"We have tried to maintain market sbare, which bas meant accepting lower prices, be said, stressing the division's capacity for a second-half recovery.

The trading profit of the rest of the business improved by more than 17 per cent. But a swelling of interest payments by more than £1.1m to £8.57m dimmed this progress.
Shipping increased trading

profit by more than 50 per cent. Mr Bill Andrews, chief axecutiva, said freight rates had risen for its bulk cargoes, including coal and grain. Costs had been cut through changing the flag to the Isle of Man. This had enabled British crews to be made redundant and then rehired on new terms.

than in sales, making nearly 28m on turnover of £110m. Mr Hubbard said the transport side had great hopes of a flat rail car designed to carry conti-nental containers.

While the contracting business had not been hit by the building downturn, brick-mak-An extraordinary profit of \$5.62m was made on the sale of

businesses and land. Altogether the disposals are expec-ted to net £17m this year, although gearing is still expected to rise from 36 per cent to more than 40 per cent.
Earnings per share fell to
14.2p (15.4p), but the interim
dividend is lifted 10 per cent to

6.6p. The share price closed at O COMMENT

where it can and that it cannot do anything about the weather. But it is not all that comforting to see more than half of turn-over in the lap of the gods, especially when volume is being protected more vigor-ously than profits. The sweet-ener is the 9 per cent yield. But

questions are beginning to be asked about the generous divi-dend policy when some of the fundamentals are weak, interest cover is declining and per-haps more money should be channelled into the non-fuel distribution parts. On the other hand, while the economic clihand, while the economic cli-mate is not propitious, the management may well be right to keep the shareholders happy and hold itself in readiness to capitalise on a freeze. A fore-cast full-year profit of £36m gives a prospective multiple of nearly 9, thanks to it being regarded as an income stock.

Engineering showed a much The management's case is that stronger rise in trading profit it has improved the business

CASPEN OIL incurred a net attributable loss of £1.93m in the year to July 31. That com-pared with some £2m forecast in September at the time of the rights issue, and with £2.74m for the previous seven months.

However, an £865,000
extraordinary gain on settlement of litigation concerning the interest of the US subsidiary in the Yates field reduced the overall loss to £1.06m.

Losses before tax were £2.26m (£3.03m). Part of the rights proceeds were allocated to development drilling on olifields at Orange and Starks in southern Texas

Caspen loss cut to £1.93m

The company is also paying \$550,000 (2252,000)for a 50 per cent interest in producing properties adjoining Starks; the consideration is \$450,000 cash and the issue of 400,000 shares. The directors described the acquisition as an important tactical move, and it also adds cash flow of over \$225,000 in

the first year. Turnover in the year came to

£4.12m (£1.3m) and the increase followed the purchase of the Peter Paul gas producing prop-

But the company had to bear the extra interest burden of the acquisition, and that combined with low gas prices to account for a significant part of the

There were exceptional charges of £114,000 for the introduction to the Third Market, and of £318,000 for the loss on disposal of the Floyd Energy holding.

Black Arrow down 9%

BLACK ARROW Group, the office furniture concern which also has interests in electrical appliances, leasing and instal-ment finance, reported pre-tax profits some 9 per cent lower at £1.73m in the six months to

September 30. Mr Arnold Edward, chair-man, had forecast the fall in his annual statement. The pre-tax figure included \$99,600 arising from the sale of the office machines division of

a subsidiary.
Group turnover rose 8 per cent to £12.12m (£11.18m), with office furniture increasing by the same percentage to

£10.46m. Electrical appliances and other activities climbed 55 per cent to £710,000, but leasing and instalment finance fell. 5 per cent to

After tax of £604,000 (2654,000), earnings were lower at 4.54p (4.87p) per share. Despite the slip in profits the interim dividend is maintained

at 1p.
Mr Edward said he was confident that the first half's shortfall would be made up and that the full year's results would not be "materially dif-ferent from those reported in 1989."

Video Magic pays £200,000 for four stores

As part of its continuing expansion programme, Video Magic Leisure has purchased four video rental stores for a total consideration

This brings the total number of stores to 78, and the group expects to have 100 in operation by the end of 1989.

Two of the stores are in Ashby, Leicestershire, and cost

£125,000,and the others are in Bournemouth (£47,500) and Mickleover, Derbyshire

VALLEHERMOSO, S.A.

CORPORACION INMOBILIARIA HISPAMER, S.A.

INMOBILIARIA PARA EL FOMENTO DE ARRENDAMIENTOS, S.A. (INMOBANIF)

The following is brought to the notice of shareholders of the three above-mentioned corporations and the public at large:

First: The Spanish Treasury in its order of the 18 th of October conceded specific tax benefits by virtue of the omalgamation of the said three companies in accordance with the agreements of their respective Extraordinary General Meetings Held on December 22 nd last.

Second: The respective boards of the three above-mentioned corporations, in view of the Ministerial Order and the agreement to amalgamate adopted by the respective Edraordinary General Meetings, consider that the conditions established by the latter have been fulfilled, and that the amalgamation can now take place. The date fixed for transfer of the title in question is thursday the second of

Thirds In the period from the 10th to the 25th of November, 1989, shares of the Corporación Immobiliaria Hispamer, S.A. and of Immobiliaria para el Fomento de Arrendamientos, S.A. (Immobanif), can be exchanged, in the main office of the Banco Hispano Americano in Madrid, for those of Vallehermoso, S. A., in the proportion approved by the Shareholders Meetings in which the

omalgamation was agreed. That is:

8.13 Vallehermoso, S.A., shares of 500 (pesetas of nominal value) for each share of 5.000 (pesetas of nominal value) of the Corporación Inmobiliaria Hispamer, S.A.

 1.90 Vallehermoso, S.A. shares of 500 (pesetas of nominal value) for each share of 500 (pesetas of nominal value) of Inmobiliario para el Fomento de Arrendamientos, S.A. (Inmobanif).

After the obove-mentioned period, Vallehermoso, S.A. shares which have not been exchanged will be held by Vallehermoso, S.A. and available to shareholders of Corporación Inmobilioria Hispamer, S.A., and Inmobiliario para el Fomento de Arrendamientos, S.A. who have not yet made the exchange.

Fourth: The issue of shares made by Vallehermoso, S.A. to provide for this exchange will be as follows:

● The share capital will be increased by 4,465,800 Pesetas representated by 8,931,600 shares of 500 nominal Pesetas

• The new shares will be in share capital wich will in all respects rank equally to the shares

currently in circulation.

 The new shores will be exclusively for exchange for Corporación Inmobiliaria Hispamer, S.A. shares and for Inmobiliaria para el Fomento de Arrendamientos, S.A. shares (Inmobanit).

● These new shares will be quoted on the stock Exchanges on which Vallehermoso, S.A. shares are currently quoted.

> Madrid, 25th October 1989 issued by the boards of: Vallehermoso, S.A. Corporación Inmobiliaria Hispamer, S.A. Inmobiliaria para el Fomento de Arrendamientos, S.A. (Inmobanif)

Sidlaw climbs 15% in year of change

IN A year of change and growth, Sidlaw Group saw pretax profits increase by 15 per cent, from a restated £6.16m to

This Scottish-based packaging, oil services and textiles group achieved that on turnover ahead just 2 per cent to £73.11m (£71.78m) in the year

ended September 30.

During the year the group merged with HPC, the flexible packaging concern, in an £8.8m deal, and that company performed up to expectations. It also sold Edwards, its wholesale grocery business, and a property for 24m cash. Earlier this month, Sidlaw

£8.9m bid for Transrap Holdings, a USM-quoted flexible packaging business.

Mr Digby Morrow, chief executive, said he was pleased with the results from all three divisions and with the progress made in group development.

"The move into packaging was the kind of step needed to allow the group to achieve a significant earnings growth he claimed. Packaging contributed £1.1m

to operating profits, while oil services provided 25m and tex-Earnings were 17.4p per share (14.1p). The proposed final dividend is 4.7p to raise

Grampian up 80% but cautious over second half

GRAMPIAN TELEVISION, the IBA contractor for the north of Scotland, increased pre-tax profits by 80 per cent in the six months to the end of August. From last time's £581,000, profits climbed to £1.05m.

That figure included a dividend of £178,000 (£36,000) from TV Times as well as interest receivable of £157,000 (£9,000) and was struck after the deduc tion of £90,000 (nil) for the Exchequer Levy.

However Mr Douglas Hardie, who became chairman in June, warned: "While it is pleasing to report improved half-year figures, I cannot see this level of performance being sustained in the second half." He ascribed his fears to the current slowdown in network advertising revenue and the continued drift of revenue to the south.

Advertising revenue in the

first half rose just over 5 per cent and Mr Hardie said that revenue from the sale of programmes and the hire of the company's facilities both showed healthy increases. Turnover advanced 8 per

cent to £10.49m (£9.71m). This time there was an extraordinary credit of £837,000 (nil) relating to the sale of the com-pany's interest in Independent Television Publications, publisher of TV Times, and a pro-vision for the costs of the closure of the sales department.

From January 1990 and to achieve cost savings, the selling of the company's advertis-ing airtime will be carried out by Television Media Marketing, a subsidiary of HTV.

After tax of £403,000 (£245,000), earnings were up at 4.5p (2.47p). The interim dividend is lifted to 0.7p (0.6p).

ANGLOVAAL GROUP

Declaration of Ordinary and Participating Preference Dividends



Dividends have been declared payable to holders of ordinary and participating preference shares registered in the books of the undermentioned companies at the close of business on 15 December 1969. The dividends have been declared in the carrency of the Republic of South Africa end payments from London will be made in United Kingdom currency. The date for determining the rate of each ange at which the contrarency of the Republic will be converted into United Kingdom currency will be 27 December 1969 or such other date as act out in the conditions subject to which the dividends are paid. These conditions one be inspected at the registered office or office of the London Secretaries of the companies. Warrants in payment of the dividends will be posted on or about 19 January 1990. The transfer books and registers of members of the companies in Johannesburg and London will be closed from 16 to 22 December 1939, both days inclusive. All companies mentioned are incorporated in the Republic of South Africa.

		Laterion	Dividend D	chered
Name of Company	Class of Share	No.	1989 Cents pe	1988 er share
INTERIM DIVIDENDS • YEAR ENDING 30 JUNE 1990				
Anglovasi Ltd Reg. No. 05/04580/06	Ord & A.Ord	88	300	250
Auglernal Ltd (Note 1) Reg, No. 05/04580/06	Part perf	71	155	130
Eastern Transvani Consolidated Mines Limited Reg. No. 01/08442/06	Ord	79	200	150
Harteberstfoutein Gold Mining Company Limited Reg, No. 05/33926/06	Ord	68	6	80

ring 5 cents is respect of the fixed rate of 5% per summ for the half year cuding 31 econder 1969 and 150 cents being a 50% participation in the interim dividend of 300 mis declared on the ordinary and 'A' ordinary shares. By order of the boards Anglovael Limited Secretaries/Transfer Se per: E.G.D. Gordon 295 Regent Street LONDON WIR AST 23 November 1989



gge

Anglo American Corporation of South Africa Limited

(Incorporated in the Republic of South Africa)

Interim report and dividend for the six months ended September 30 1989 (unaudited)

Consolidated income statement (R million)	She mouths - ended 20.5.89	Sht months ended 30.9.88	Year ended 31.3.89	Consoli sheet (R million)
Net income - investments - trading - other	632 279 28	476 191 10	1 282 427 89	Ordinary: Capital and Non-distrib Retained e
Net income before taxation Taxation	939 210	677 132	1 798 274	Preferred
Net income after totation Attributable Io outside shareholders	729 13 9	545 86	1 524 270	Outside sh in aubaidia
Attributable earnings Retained earnings of associated companies	599 716	459 559	1 254 1 391	Total share Loun capit Louns from
Equity accounted caraings Extraordioary items	1 315 29	. 1 018 70	2 645 24	Other Hab
Earnings after extraordinary items Transfer to non-distributable reserve	1 344 751	1 088 614	2 669 1 401	Represente
Ordinary dividends	593 196	474 161	1 268 622	Investmen Fixed asse Stocks and
Retained carnings	397	313	646	Deposits a
Earnings per ordinary share – cents – attributable earnings – equity accounted earnings	570	200 443	545 1 148	Number of millions Net asset v share (after
Dividends per ordinary share - cent - Interim	85	70	70	Based on the r

Consolidated Balance sheet			
(R million)	39.9.88	30.9.86 ·	3138
Ordinary shareholders' equity			
Capital and premium	231	167	19
Non-distributable reserve	6 668	4 923	5 95
Retained earnings	4 413	3 650	3 993
	11312	8 740	10 14
Preferred capital	5	5	
Outside shareholders' luterests			
in subsidiary companies	1 271	1 135	1 243
Total shareholders' interests	12 588	9 880	11 395
Loan capital	194	210	206
Loans from associated			
companies and others	1 845	1 949	1 834
Other Habilities	1 266	856	1 263
	15 893	12 895	14 691
Represented by:			
investments	10 360	8 078	9 224
Fixed assets	2 327	2211	2 286
Stocks and debtors	1 178	858	1 092
Deposits and cash	2 027	1 748	2 095
	15 893	12 895	14 691
Number of ordinary shares in issue -			
millions	231	230	230
Net asset value - ceats per ordinary			
share (after providing for dividend)	13 713	9 358	12 379
Based on the market value of listed investments at			
September 30 1989 and the directors' valuation			

Notes: References to ordinary shares, ordinary shareholders and ordinary dividends include the S ordinary shares which rank pari passu in all material respects with the ordinary shares.

2. Particulars of the Group's Interests in listed associated companies

and Benezar investments are as long	\$0.5.89	30.9.88	31.3.89
Associated companies	25 791	R million	23 575
Market value Carrying value	7 231	17 400 5 554	6 394
	18 560	t t 846	17 181
General investments Market value Book cost	4 197 612	2 748 373	3 666 433
	3 585	2 375	3 233
Appreciation Outside shareholders' Interest therein	22 145 2 970	14 221 2 127	20 414 3 429
	19 175	12 094	16 985

3. Particulars of the Group's capital expenalmost entirely to the operating subsidiaries, are as follows: Capital expenditure for period (net)

Capital expenditure commitments (net) 378 There are no material changes in contingent liabilities from those disclosed in the latest annual report.

– final

Attributable earnings for the six months ended September 30 1989 rose by 31 per cent to R599 million (260 cents per share) from R459 million (200 cents per share) for the corresponding six months of 1988. Equity accounted earnings increased by 29 per cent to R1 315 million (570 cents per share) from R1 018 million (443 cents per share). The interim dividend has been increased by 21 per cent to 85

cents per share from 70 cents per share. income from investments at R632 million was 33 per cent higher than the comparative R476 million, most of this increase being attributable to higher dividends from the mining finance, diamond, actriotratic to magner dividends from the intuming intake, diament, platinum and base metals sectors. As there was a minimal increase in dividend income from gold and uranium mining interests the contribution by this sector to investment income for the six months fell from 38 per cent to 30 per cent. This drop reflects the impact of inflation on costs relative to the marginal improvement in the rand gold price which rose by only 2.1 per cent to R985 per ounce (\$384) per ounce) in the first six months of 1989 compared to R965 per ounce (\$453 per ounce) in the corresponding period in 1988. The average for the 10 months to October 31 1989 was R990 per ounce (\$377 per ounce), although the price has risen recently to over R1 000 per ounce.

Trading income increased by 46 per cent to R279 million from R191 million mainly due to Anglo American Coal Corporation

200 September 30 1969 and the directors' value 200 of unilated towestments at March 31 1969 Limited's (Amcoal's) improved results from increased export prices and toonages and a weaker rand/US dollar exchange rate. A large part of the increase in taxation and of the increase lo outside shareholders' interests in earnings is also attributable to Amcoal's improved results. Other net income rose from R10 million to R28 million as higher interest and fee income more than offset increased prospecting costs. Retained earnings of associated companies, which are transferred to non-distributable reserve, rose by 28 per cent to R716 million. The sectors referred to above, together with the industrial sector, were the major contributors. Although difficult to predict, equity accounted and attributable arrings for the year ending March 31 1990 are expected to show a lower rate of increase than that recorded for the first six months. The expectation of a deceleration in the rate of growth of earnings takes cognizance of the continuing fali in the profitability of the gold mining industry (although the recent improvement in the US dollar price of gold will, if sustained, have a favourable impact), the slow-down in a number of export markets coupled with the slightly firmer rand, and more difficult economic conditions in South Africa.

For and on behalf of the board G.W.H. Relly
J. Ogilvie Thompson

On Thursday, November 23 1989, the directors of the Corporation declared interim dividend No. 107 on the ordinary and S ordinary

Amount (South African currency) Last day to register for dividend (and for changes of address or dividend instructions) Friday, December 22 Registers closed from Saturday, December 23 to (inclusive) Saturday, January 6 Ex-dividend on stock exchanges: Wednesday, December 27 Friday, December 29 Johannesburg Currency conversion date for sterling payments to shareholders paid from London Wednesday, December 27 Dividend warrants posted Thursday, January 18 Payment date of dividend Friday, January 19 Rate of non-resident shareholders' tax 14.59755 per cent

The full conditions relating to the dividend may be inspected at the Head and London offices of the Corporation and its transfer secretaries.

By order of the board C.L. Mallby Secretary

Johannesburg November 24 1989 Head office: London office: 44 Main Street 40 Holborn Viaduct Johannesburg 2001 London ECIP IAJ

Copies of the Interim Report will be posted on or about Tuesday, November 28 1989.

Trader to face £3m claim over lead-poisoned feed

By Laura Raun in Amsterdam

A DUTCH animal feed maker is to claim about Fl10m (£3.2m) from a West German grain trader in damages over lead-poisoned cow feed that has affected around 1,700 farms in The Netherlands and Britain.

Yesterday's disclosure adds fuel to the fire surrounding the contaminated feed. The damages claim is parallel to a criminal investigation surrounding

two suspects and a European Commission inquiry. No human illness has broken been reported but the affair has provoked concern about the food chain's vulnerability to contamination. More than 100 cows have died from the killer feed and the affected farms remain under surveillance, although milk sales from the Dutch ones have

Drogerij Marknesse, a Dutch fodder maker, intends to file today a claim for Fl10.2m in

damages from Toepfer Interna-tional of West Germany. according to Mr D.H. de Witte, attorney for Drogerij Mar-

Mr de Witte contended yesterday that Toepfer, a grain dealer, acted negligently and unlawfully by failing to inform its customer. De Bruijn, of lead poisoning in rice bran acquired by De Bruijn.

Since Topier knew of the lead poisoning it also should have found out what happened to the rice bran after it was handed over to De Bruin, a handed over to De Bruijn, a Dutch supplier of animal feedstuffs, according to Mr de
Witte. De Bruijn sold the rice
hran to Drogerij Marknesse,
which processed it into highprotein maize-replacer pellets.
Drogerij Marknesse is seeking financial compensation to
cover the costs of destroying
other feedstuffs contaminated
by the bran, compensating cus-

by the bran, compensating cus-

tomers and halting production, Mr de Witte explained. The claim will be heard in the Zwolle District Court on

December 1. Meanwhile the criminal investigation continued yesterday as two suspects were ordered to remain in custody for further questioning on charges of knowingly selling contaminated goods. Mr Corne lius De Bruijn, owner of De Bruijn, and Mr Petrus Tim-mers, a confidential cierk, deny the charges and are appealing against the custody order, according to the Breda public

prosecutor. Drogerij Marknesse's claim is the second commercial dis-pute following an unsuccessful Fi2m claim by Slump, a Dutch fodder retailer, against De Bruin, Drogerij Marknesse and its marketing arm, Rovegrha. Slump has appealed against

Cocoa board to disclose debts

By Mark Huband in Abidjan

BANKS ARE predicting an upturn in Ivory Coast cocoa exports by mid-December after the state marketing board agreed to disclose the scale of

its arrears owed to exporters. Finance houses made it clear last week that it might be impossible to finance this year's crop if they were not given full details of arrears owed to exporters. Without this information, which had been promised in mid-October, banks claim they will be

been promised in mid-October, banks claim they will be unable to lend to exporters in order to ensure that the current crop is bought-up.

At a meeting held last Monday with officials from the state marketing board, the Caisse de Stabilisation (Caistab) representatives from fortab), representatives from for-eign and Ivorian commercial banks demanded certificates to show how much each of the Ivory Coast's 45 exporters are

Current arrears are put at 150bn CFA francs (£328m). Certificates have been sent to the banks over the past week, and have allowed the first in-depth assessment of the debt situa-tion. It is now likely that, hav-ing been given a clear idea of the scale of the crisis facing exporters, the banks will be prepared to lend on the understanding that the Caistab will pay exporters the arrears owed to them over the next 12

Much of the money is expected to come from a \$223.5m loan by the International Monetary Fund announced last week. The loan will be made available over the next 17 months, and is specifically aimed at easing the current

cocca and coffee prices.

The new information will not lead to all exporters being given loans. One banker pre-dicted that a 4 or 5 per cent drop in cocoa prices is the major factor which could derall

the new financing plans. However, he predicted that at current prices, there were COCOA PRICES continued to

cocoa prices continued to decline on the London Futures and Options Exchange (Fox) yesterday, closing at fresh 14-year lows, writes David Blackwell. The March contract ended the day at £660 a tonne after touching £658 earlier. The premium for the December contract, which looks like attracting record deliveries. attracting record deliveries, narrowed to £15 from £21 a tonne. Some London traders are predicting a fall to £600 a tonne in the next few months as abundant supplies chase too few buyers. Trading was quiet as the New York market was closed for Thanksgiving, and does not re-open until Monday.

no significant hazards: "I don't think there will be any prob-lems at the end of the day, because, unlike the past two years the banks don't give the impression of committing suicide by financing the crop because of the cut in producer

prices announced in September. "We have had confirmations of the Caisse arrears for a number of exporters. Whilst the overall position of almost all of them is absolutely dire because of the huge amounts owed by the Caisse, the possible receipts from the Caisse within the next 12 months,

with World Bank and IMF

COCOA - Landou POX Close

Previous High/Lou

money, enables banks to take a reasonable view of their future survival and to help them hay some cocos," he said.

The moves come against the hackground of a very slow start to the Ivory Coast cocoa season. At this point last year, six weeks into the harvest, cocoa arrivals at the ports stood at 140,000 tonnes. Curstood at 140,000 tonnes. Currently they stand at 50,000 tonnes. Trading houses had predicted the movement of 300,000 tonnes by mid-Decamber, though a figure of 80,000 tonnes is now being seen as more likely. The new financing arrangements may see an improvement in these levels if exporters receive the money exporters receive the money the banks hope they will be able to lend.

anie to tend.

• A French court rejected an appeal by trade house Philipp Brothers (Phibro) in its cocca dispute with the International Cocca Organisation (ICCO) and five other commodity trade houses, court records show, reports Reuter from Paris.

The Supreme Civil Court of Appeal late on Wednesday upheld a lower court decision of last October rejecting Phibro's claim that a cocoa arbitration panel which had ordered it to pay awards to the ICCO and the trade houses was unfairly composed.

The panel, drawn up by the French Cocoa Trade Associa-tion, had held that Phibro owed compensation to the ICCO and the trade houses because it had failed to deliver

Ivorian cocoa in 1988. In his judgment, the president of the Civil Court of Appeal said Phibro's appeal was groundless and inadmissible.

WORLD COMMODITIES PRICES

Organic farming 'could save money'

By Geoff Tansey

THE BRITISH Government and the EC would save money as well as help to protect the environment by promoting a 20 per cent switch to organic farming, rather than set-aside or non-organic extensification, according to Mr Nicolas Lampkin, an agricultural economist from the University College of

Wales, Aberystwyth.
The main changes would be a 6 per cent fall in cereal output, 12 per cent drops for sugar beet and oil seed rape, and a 35 per cent increase in grain legume output, thus saving on imported protein for livestock feed, he told the annual meeting of the Soil Association in Liverpool.

Association in Liverpool.

The Association's major theme in 1990 will be campaigning for 20 per cent organic farming by the year 2000. "If the Government supported organic agriculture it could achieve a reduction in agricultural surplus through agricultural surplus through less money than through setaside," according to Mr Lawrence Woodward, co-ordinator of the Elm Farm Research Centre near Newbury. He quoted a cost per tonne for cereals set-aside of £69.50 compared with

230.77 for organic extensifica-The money and political means to achieve this existed, he believed, with the various piecemeal incentives available under the EC's Common Agricultural Policy and from Britain's Ministry of Agriculture designed to reduce surpluses and protect the environment. In all the existing ment. In all the existing protected areas and where soil erosion threatened "organic farming should be a preferred management option," he said. An added benefit of turning organic was that there woul not he pressure to increase output on the land not set

surplus reduction.
Farmers needed a suitable package of measures to help package of measures to nap-finance conversion, which nor-mally took about 5 years, according to Mr Lampkin. He said their income fell initially while lower yields were not being compensated by premium prices. The annual costs varied from £50 a hectare for a lowland cattle or sheep farm and around £100 a hectare for a specialist dairy farmer to up

farm. Farmers faced a problem in getting sufficient information although the meeting heard that four agricultural colleges now had accredited organic farming courses and others were following suit.

Consumer studies showed that domestic demand for organic produce exceeded sup-

Price falls forecast for all base metals

By David Blackwell

BASE METAL prices are heading for a downturn across the board next year as expandthe poard heat year as expansing production overtakes demand, according the Economist Intelligence Unit.

The unit's latest report on industrial raw materials fore-

casts a price for copper of 95 cents a lb in 1990, 24 per cent down from from the expected 1989 average; aluminium is forecast at \$1,575 a tonne in 1990, 18 per cent down on the previous year's \$1,330 a tonne; zinc is seen at 57 cents a lb, 24 per cent down on this year; and nickel is expected to be under \$4 a lb, against \$6 a lb

this year.
The decline in copper prices next year will arise mainly because of an expected 200,000 tonne surplus of refined copper supplies over demand, up from

near zero this year. The report assumes that by early next year most of the labour-related problems which have held back the supply of copper concentrates since early this summer will have been overcome. This will lead to better ntilisation of enlarged capacity, lifting mine output by a projected 4.2 per cent and refined production by 3.3 per

Against this, consumption is declining. Given a forecast reduction of GDP growth in the Organisation for Economic Co-operation and Development from 3.4 per cent this year to 2.7 per cent in 1990, the report has assumed growth in copper consumption will fall from 2 per cent this year to 0.6 per

The surplus will allow some rebuilding of severely depleted stocks. And the report also points out that at 95 cents a lb "most producers will still find copper production a highly profitable activity."

The growth in aluminium consumption is also projected to slow down next year, albeit from record levels this year. Consumption in the Weste world is expected to be 14

BASE I

1990"

(US

Next year, if there is still no correction to supply, "prices in the second half could go down towards \$1,500 a tonne despite

record consumption."

The surplus now being generated has allowed a slight replenishment of stocks for both consumers and producers, says the report. But stocks are still low, at around 40 days

.6m	years	ago	60 days	only a ret
	ALS PI		3	
	1969		1988	1987
	125 87.8 408 75.4		117.3 107.4 326 58.5	80.8 70.3 312

tonnes in 1990. This marks a rise of 1.5 per cent from this year's record level, itself a 3.9 per cent rise over

This is because some of the key sectors affecting demand for the metal, particularly the automotive and construction sectors, are in the forefront of any economic downturn. The smelting industry has

been running flat out to keep up with strong demand so far. For the rest of this year sup-plies are likely to exceed demand and "unless producers are visibly responding by reducing supply, prices could respond excessively down-wards for a while," says the

would have been considered A surplus of 250,000 tonnes is

predicted for next year -alightly below this year's after taking into account a further drop in net imports from the communist countries. The vulnerability of the nickel market to its depen-dence on stainless steel is

likely to show next year, says the report. Production is unlikely to reflect the decline in consumption, which could fall to around 615,000 tonnes (against 650,000 tonnes this year) given a further rise in Eastern bloc exports and an increase in secondary supplies. The report estimates a market surplus of around 55,000 tonnes

next year, up from 10,009 tonnes this year.

However, the apparent overproduction is not expected to depress prices severely. "Because stocks have been reduced to levels bordering on the unworkable over the last two years, the surplus will allow stock recovery to continue," says the report. Hence
"a gradual decline and stabilising of spot market prices is
most probable over the forth-

coming year." For the zinc market, the report highlights the weakness in consumption this year, shead of the general economic slowdown, "because of the importance to it of construction demand."

It points out that production is expected to fall in the auto-motive industry, a big user of galvanised sheet and zinc diecastings, next year, when UK and US housing markets may

The conflicting factors point to a marginal 0.4 per cent rise in zinc consumption next year

Production is forecast to rise by 2.7 per cent, however, to 5.34m tonnes. Further expansion in Australia and the inau-guration of the Red Dog mine in Alaska are expected to be offset to some extent hy declines in Canadian and Peru-

vian output.
World Commodity Outlook 1990

- Industrial Raw Materials.
EIU, 40 Duke Street, WIA 1DW, price £125 to Europe, \$235 to North America and £130 else-

Power shortage hits smelters

By Robert Gibbons in Montreal

LOW POWER reservoir levels are affecting production of ingot at Alcan Aluminium smelters in the Saguenay,

north of Quebec City.

Rain and snowfall have been well below normal in Quebec for the past two years, and Hydro-Quebec, the provincial electric power utility, has had to curtail exports to the US because of low levels in its own

Alcan controls nearly 2,000 megawatts of captive hydroelectric power on two rivers in

By Mark Huband in Abidjan

THE IVORY Coast yesterday took steps to grade its small annual tobacco crop with the introduction of a new scale of

Superior quality tobacco will earn farmers 175 CFA francs

(36p) a kilogram while a pro-

ducer price of 125 francs was set for ordinary quality. A third grade, that of inferior

quality, is also to be estab-lished by the new minister of

producer prices.

the Saguenay area, the Western world's largest single alu-minium smelting area. This is normally more than enough for annual output of up to 675,000 tonnes of ingot, including alumina production and process-

Ivory Coast introduces tobacco grading

Agriculture, Water and Forests, Mr Vincent-Pierre Lekron,

although no producer price has

agricultural product in the lvory Coast, though imports have been falling for the past

three years as the country

attempts to diversify away

from the staple products of

In 1987 the value of tobacco

Tobacco remains a minor

yet been announced.

cocos and coffee.

same problem. No one sees an immediate crisis emerging because demand for aluminium is slackening and Alcan operates a worldwide smelting system. But Alcan is shutting down an older 22,000 tonnes yearly potline in the Saguenay and production at a new amelier will be cut by an annualised

other manufactured luxury items, stood at 11.1m CFA francs. In 1988 this fell to 8.6m

CFA francs.
The fall has not led to

tobacco becoming a significant export. However, domestic con-

sumption as elsewhere in Africa has seen a significant

rise in recent years, giving

fresh impetus to domestic pro-

d along with

because the utility faces the

ing of fabricated products.

The low reservoir levels antomatically reduce the power available from the turbine generators in a full year.

Alcan says on average the 30,000 tonnes on a temporary basis. Several hundred part-time employees will be laid off. reservoirs are at only half their normal level and it cannot buy power from hydro-Quebec

OPEC STATES experts failed to agree on their forecasts for 1990 oil demand as ministers prepared yesterday for talks to

Oil producers

demand outlook

disagree on

try to solve differences over fixing output quotas, reports Renter from Vienna.

The Kuwaitis dissented from an estimate agreed by the other 12 members of the Organisation of Petroleum Exporting Countries, delegates at the talks said.

The majority expect demand for Opec oil in the first half of 1990 to average 21.7m berrels a

day. But Kuwait expects weaker demand averaging 21.08m b/d. Earlier this year the Knwaitis were proved right

when they forecast stronger Opec.
The oil ministers were to discuss the basic arithmetic at a session of Opec's eight-member market monitoring committee

on Thursday evening shead of a full conference starting on Saturday to set output quotas. Currently Opec ontput is running above 23m b/d so the challenge is to agree on a mechanism to cut production.

LONDON MARKETS

problems caused by the fall in

THE GOLD price continued to advance on the London bullion market yesterday, closing above \$410 an ounce — an area where resistance was seen on Wednesday. Dealers said the move could prove to be

many participants were absent from

the market. Technically, the current

steep advance has not yet been Interrupted by a downside correction Aithough one is overdue, with analyst projecting a \$10 and consolidation projecting a 510 and consolroad of the short \$400, any signs of price dips bring out renewed buying. On the LME nickel hit fresh 21-month lows in the morning before recovering some of its osses in the afternoon. The steady price decline this year has been be largely on ready availability of materia from the Soviet Union and a gradual

slow-down in demand from the

SPOT MARKETS		
Crude oil (per barrel FOS)		+ or
Dubai Brent Blénd W.T.L. (1 pm est)	\$15.85-5.95z \$18.35-8.40z \$19.90-9.95z	20
Oil products (NWE prompt delivery per to	mne CIF)	+ or
Premium Gasoline Gas Oil Heavy Fuel Oil Naphtha Petroleum Argue Estimates	\$186-186 \$187-188 \$101-103 \$169-161	-1 -4 -5
Other		+ or
Gold (per troy oz) Silver (per troy oz) Platinum (per troy oz) Pelladium (per troy oz)	\$411.75 582c \$532.80 \$140.25	+3.50 +1 +3.05 -2.75
Aluminium (free market) Copper (US Producer) Lead (US Producer) Ricke) (free market) Tin (Kuala Lumpur market) Tin (New York) Zinc (US Prime Western)	\$1695 113 ³ g-115 36c 435c 18.26r 316.0c 73 ⁷ gC	-10 + 12 -19 11
Cattle (live weight)† Sneep (dead weight)† Pigs (live weight)†	113.59p 207.98p 80.20p	-1.86* +5.09 -2.80*
London daily sugar (raw) London daily sugar (white) Tato and Lyle coport price		+6 +25 +5.5
Barley (English feed) Maize (US No. 3 yellow) Wheat (US Dark Northern)	Σ114.5 Σ126 Σ126	
Rubber (spot)♥ Rubber (Dec)♥ Rubber (Jan)♥ Rubber (KL RSS No 1 Dec)	57.00p 58.75p 58.75p 227.0m	
	A455 A-	

-cente/lb. r-ringgit/kg. y-Oct. x-Dec/Jan. t-Jar Mar. v-Nov/Dec. w-Dec. z-Jen theet Commit rage falstock prices. * change from

Sep Dec Mar	897 721 741	786 729 746	701 897 725 720 744 740	
			of 10 tonnes is per tonne). C 7.92):10 day aver	le)
	E - Lee		2/10	_
	Close	Previous	High/Low	_
Nov	700	700	203 660	
Jan	672	682	663 671 667 675	
Mar	678	204	704 692	
May	715	723	704 692 722 712 746 781	
Sep Nov	736 754	742 700	751	
ICO in Nov 21 age 62	dicator pr : Comp. d :33 (62.36)	ices (US clarity 60.79	of 5 tormes ents per pound (61.61). 15 day a	*
SUGA	A - Loud	en POX	(5 per to	u.
Rew	Close	Previous	High/Low	
Mar	333.20	330.80	339.60 331.20	
May Aug	329.00 328.00 314.60	326.50 319.50	329.00 327.00 323.00 321.40 314.60 314.00	
Oct	314,60	312.00	314.60 314.00	
Mar	296.40	294.60		
White	Close	Previous	High/Low	
Mar	399.50	386.50 389.50	399.00 398.00 402.50 401.50	
May	403.00	408.00	410.00 409.60	
Oct	364.00			
Yuman	on Daw	380.50 1154 (5903)	383.00 352.50 lots of 50 ton	ne:
Turnov White Paris- 2490, A	on Daw	1154 (5503) r per torr Det 2400, D	lots of 50 ton	Ma 10.
Turnov White Paris- 2490, A	er: Raw 1 134 (1082) White (FF ug 2570, (1154 (5903) r per toni Det 2400, D	lots of 50 ton re): Mar 2470, I sec 2310, Mar 23 S/be	Ma 10.
Turnov White: Paris- 2480, A CRUDI	97: Raw 134 (1092) White (FF urg 2570, (E CR). — III Close 18.30 18.11	r per tonr Det 2400, E PE e Previo 3 18.51 18.23	lots of 50 ton re): Mar 2470, I sec 2310, Mar 23 S/be	Ma 10.
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Turnov White : Paris- 2490, A CRUDO Jan Turnov QAS C Dec Jan Jan Turnov QAS C Jan Jan Jan Jan Jan Jan Jan Jan Jan Jan	er: Raw 34 (1982) White (FF ug 2570, 6 16.16 18.26 18.36 18.16 18.26 18.56 18.57 18.20 177.75 162.00 163.75 162.00 er 1989 (4	154 (503)	Into of 50 tonics	in i
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Turnov White : Paris- 2490, A GRUDD Jen Turnov GAS C Dec Jen Mar Turnov May Turnov Turnov RESITI	er: Raw 34 (1082) 34 (1082) White (FF ug 2570, 6 18.36 18.31 18.21 18.21 18.21 18.21 18.21 18.20 172.75 162.00 183.73 162.00 183.73 162.00 Per 1989 (4	154 (503)	Incis of 50 tonics	in i
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Spot 130.58 129.67 129.46 Futures 131.75 131.39 129.94

	Close		Previous	High/Low	AM Offici	(a) Kerb clos	e Open interes
Alematok	m, 96.7%	PER C	per tonne)			Fling t	mover 10,106 tons
Cash 3 months	1685-		1693-5 1700-2	1895 1706/1695	1592-4 1699-700	1695-6	32.625 lots
		(E per to	nne)				mover 20,325 toral
Cent	1989-	90	1575-7	1506/1505	1695-8		
5 month	_		1584-6	1005/1501	1604-5	1597-9	76,065 lots
	per tonne			450		Ring	tumover 5,725 tonn
Cent: 3 month:	416-2		420.5-1.5 421-1.5	420 422/417	420-20.6 421-2	421-Z	11,862 fets
	per tonn						turnover 768 tonn
Cesh	9250-		9380-406	8350/9300	9360-75		
5 month		90	9000-25	8960/6750	8650-76	8850-800	7,043 lots
cash Cash	6790-1	Ho	6860-80	6800/6750	6770-80	4304	turnover 565 tone
3 month:		5	6990-7000	6860/6910	8910-5	6910-1	5,275 lots
_			\$ per tonne)			Ring tu	knover 15,800 tonn
Cash 3 month	1380-4 1335-1		1370-5 1345-60	1360 1358/1336	1380-5 1338-40	1337-40	16,485 lots
_	er tonne		10.00	1000	1000-10		umover 5,400 tonn
Cesh	1340-		1375-85	1365	1985-7		4100 10111
3 months			1830-6		1525-30	1300-10	2,572 tota
SPOT: 1.	strg 2/\$ 5610		months: 1.835	i8	6 months:	1.5149	9 months: 1,494
POTATO)ES - W			£/lonne	LONDON BU	LLIGH MARK	er
	Close	Previou	High/Low		Gold (fine oz)	\$ price	C equivalent
Feb Apr	155.0 207.0	165.0 207.5	208.5 205.6		Close	41112-412	268-263 ½ 262 ½-268
May	235.0	234.0	235.0 233.5		Opening Morning fix	408.70	251,10
Tumove	188 (43	7) lots of	40 tormes.		Alternoon fix Day's high	4112-412	261,863
EOYAD	EAH ME	<u> </u>		E/torme	Day's low	40712-408	
	Close	Previou	s High/Low				
Feb	148.50	146.00	145,00 148,0	00			
Apr Jun	144.00	142.70	144,00 144	00	Cotne	\$ price	£ equivalent
		icts of 20	tomes.		Mapieleaf Britannis US Eagle	420-425 420-425 420-425	256 12-271 12 268 12-271 12 268 12-271 12
-	T PUTUS	125 - D	PE \$10/hide	ox point	Angel	420-425	288 2-271 2
	Glose	Previous			New Sov.	411-414	26212-26412 61 14-6214
Nov	1677	1680			Old Sov.	96-86	614-624
Dec	1683 1688	1677	1880 1875 1884 1880		Noble Plat	339.20-547.75	845.00-350.40
Apr	1690	1895	1688 1685				
Jul BFt	1415 1670	1415	1670 1670		_		3.4
	83 (91)				Silver fix	p/line oz	US ats equiv
					Spet	371.30	579.75
ORADIS	- BPE			E/homne	3 months	385,16 398.70	591.60 603.30
Phon	Close	Previous	High/Low		6 months 12 months	424.70	826,75
Nov	110.00	108.65	170.00 109.0	50			
ian dar	112.65 116.50	112.50 118.20	112,85 112,0 116,58 116,0	30			
day	119.60	119.35	119.65 119.2	3 5			
lun	120.95	120.70			TRADED OFT		
Sop Nov	107.50	107.40			Alaminiam (%	1.7%) Culk	
					Strike price \$	torme Jan N	ur Jen Mer
Seriey	Close	Previous	High/Low		1600		24 11 36 0 45 78
L OV	108.00	107.95	107.50 107.2		1700	80 7 15 3	
lan Var	111.00 113.70	110.40 113.10	111.00 110.2	23	Copper (Gred	A) Calls	P\da
UTTOVE	. Wheat	559 (143).	Barley 75 (38	ŋ.	2350		54 29 77
Umover	loss of 1	100 tonne			2460	86 1	04 65 124
			Park Sellano	nt) a itea	2550	46 6	7 122 184
710S ~	Cicse		Cash Settlemer	A PAG			
iov	122.5	121.7	121.8				
eb	110.5	111.5	110.0		Brest Crede		eb Jan Feb
lun Lun	111.0 111.0	113.9 111.5	110.5 111.0 111.0		1800		p 17
-					1860 -		

rer 48 (37) lots et 3,260 kg

African bankers lend an ear to agricultural problems

The struggle to feed Africa's hungry is not helped by a banking system designed for Western needs

A the focus of a continuing battle to feed the continent's soaring population, are themselves suffering a sort of starvation — lack of operating capital, reports Reuter

Bankers at a recent meeting of Central Bank governors here in Nigeria's new capital, acknowledged that they had not been doing as much as they could to help solve "We are still paying lip service to

giving agriculture more resources," said Mr Abdou N'Jie, Governor of the Central Bank of Gambia. And Mr Abdulkadir Ahmed, Governor of the Central Bank of Nigeria, said that two decades of efforts to increase the flow of resources to the farming sector had not gone far enough. "Unfortunately... the agricultural sector in most African countries has continued to consti-tute the weakest link in national economic development efforts," he

Mr Ibrahim Babangida, Nigeria's President, told central bank heads from 30 African nations that agricultural development was centrai to the success of the economic adjustment programmes being pur-sued by most countries on the conti-

He said that African farmers, mostly smallholders relying on primitive technology, were expected to increase food production to catch up with the continent's fast growing population. And they were also expected to provide raw materials for struggling industries and earn scarce foreign exchange through

But high bank interest rates, the urban bias of the banking system and a preference for short-term lending have denied most farmers affordable credit to invest for higher productivity.

Commercial banks consider lending to agriculture too risky," said Mr Thabo Motseki, director of loans at the state-owned Lesotho

Agricultural Bank.

"At the end of the day, banks are owned by shareholders who expect

profits," said Mr Abdul Turay, President of the Association of African Central Banks and Governor of the Bank of Sierra Leone.

Bankers are often wary of lending to small-scale farmers, who have a reputation for defaulting and delaying repayments. "Loan recovery rates throughout Africa are very low," Mr N'Jle said.

The meeting was told that African peasant farmers tended to look at bank lending in a very different way from the institutions

"Peasants considers things given by institutions to be free," explained Mr Kerfalla Yansane, Governor of Banque Centrale de Guinea. And Mr N'Jle said rural folk saw institutional credit as a

The US commodity markets were closed yesterday for the Thanksgiv-ing holiday. New York's cocoa, coffee, sugar and orange juice markets will remain closed today.

Another problem was that collateral was not always an effective means for banks to secure their lendings, said Mr Yansane. "Nobody wants to buy a house that belongs to a defaulting farmer," he

The loan recovery rate is significantly higher, however, where banks lend to farmers' groups because of the pressure of the collective on the individual.

A recent study by the World

Bank found that a group borrowing system achieved a 95 per cent repayment rate among small-scale farmers in Malawi, said Ms Uma Lele, head of the bank's special studies division.

"If a group doesn't pay one year it will not get a loan the next year," Bank governors said part of the problem was that the western bank-

prohem was that the western banking system was imported into Africa
without being adapted to the continent's traditions. They said that
African peasants, who were mostly
illiterate, found banks' cold airconditioned offices and clerks

dressed in western business suits intimidating and culturally alienat-

The same influences tended to discourage them from depositing any surplus cash they might accumulate. "How do you expect an African farmer to go to a bank and entrust it with his money," said Mr

Low levels of bank saving among rural Africans, together with the general shortage of funds available for bank credit has resulted in high interest rates, putting borrow-ing beyond the reach of most peas-

ments have taken out foreign loans, particularly from the World Bank, to finance lending by banks to A number of African governsmall-scale farmers on concession-

ary terms. But Alassane Ouatarra, Governor of the Banque des Etats de l'Afrique de l'Ouest, said bad debts on such loans had got Cameroonian banks into serious trouble, forcing the closure of some, including the coun-

try's largest. Some bankers argued for strong legislation to compel private sector banks to help with the financing of agriculture, but Mr N'jie said economic liberalisation, pursued by many African countries, precluded such an approach. Instead, he suggested, governments could re-allocate resources to agriculture

from less essential sectors like Ms Lele of the World Bank warned that too much emphasis could be placed on funding, to the detriment of other important fac-

"Simply increasing expenditure. . . in the absence of good planning and policy implementation can do little to increase agricultural output," she said.

Mr Sonayah Abdelmoumen, General Manager of the Central Bank of Tunisia said farmers were likely to gain more from higher earnings than more credit. "What matters for farmers," he said, "is to have good prices." a A

LONDON STOCK EXCHANGE

Sharp equity advance in modest trade

WELCOME news on the UK trade front provided a noticeable boost to sentiment in the London equity market yester-day, although there was little follow-through in terms of trading volume. There was some disappointment with sterling's cool response to the latest figures and dealers pointed out that with both New York and Tokyo closed yesterday, London's final reaction to the trade figures may not appear until Monday.

The announcement of an October current account deficit of only £1.54bn, in the range of the more favourable forecasts, lit up the equity market trad-ing screens at mid-morning. A

	_	
Account	Dealing	Dates ·
First Deatinger Nov 13	Nov 27	Dec :11
Option Decimatio Nov 23	Net Dec 7	Dec 21
Lest Dealings: Nov 24	Dec 8	Dec 22
Account Dags Dec 4	Dec 18	July 8
"New Hone deader	na may take	niece from

Footsie gain of around ten points was quickly doubled and then extended to 27 points. Turnover flicked higher but only briefly, and share prices struggled to hold their best lev-els until a final uptick took the market to the day's peak. The FT-SE Index closed 28.2 up on the day at 2,220.5, with dealers encouraged by the regaining of the 2,200 mark. The firmness at the close suggested optimism ahead of the opening of the new equity trading account at 3.30pm today, according to some experienced traders. However, Seaq volume of 862.2m against 324.2m on the previous day emphasised the restrained performance by equities.

The initial response to the

trade figures from equity analysis was fairly optimistic. The narrowing in the monthly defi-cit lends credibility to the forecast of a £20bn deficit for the year put forward in his Autumn Statement on the UK economy by Mr John Major, the recently-appointed Chan-cellor of the Exchequer. Such credibility is important for equities at a time when overseas investors are wary of the political pressures on Mrs

Moreover, the October fig-ures suggest that the Government's high interest rate policy is working and that the worst, in terms of the trade deficit and the upward move in UK interest rates, may be over.
"There was a sign of relief in the market. The trade figures have removed the threat of higher interest rates," commented Mr John Reynolds at Prodential-Bache.

However, it was also clear

the equity market starts to hope seriously for any down-turn in rates. The big institu-tions were prepared to pick up lines of stock below the market price, but were not aggressive buyers yesterday. Optimism waned in the afternoon when the Sterling Exchange Rate Index slipped from the day's

that further-favourable news

on both inflation and the trade

deficit will be needed before

"Yesterday's response from equities may have been a little false", warned the head dealer of a large UK investment bank. "We still need to see the pound's considered response to the trade figures."

124p, a day's loss of 9. An ana-

lyst remarked: "It now looks like the shares are going to have a bumpy ride; this one

93.13 105.4 50.53 (21/11) (28/11/47) (3/1/75) 83.17 Fixed interest 1447.8 2008.6 (3/1)290.5 282 8 154.7 2192.3 1782.8 2443.4 986.9 (3/1) (18/7/87) (23/7/84) FT-SE 100 Share Ord. Div. Yield Earning Yid %(full) P/E Ratio(Net)(\$) Basis 100 Govt. Secs 16/10/25, Fland int. 1928, Ordinary 1/7/35, Gold mines 12/9/55. Basis 100 11,54 10.46 11.33 10.66 11,44 10.14 FT-SE 100 31/12/83. * NH 10.48 GILT EDGED ACTIVITY 20,977 690.03 20,928 262.5 21,524 739,24 23,394 306.0 5-Day average Ordinary Share Index, Housty changes Day's High 1754.1 Day's Low 1736.1 "SE Activity 1974. TExcluding intra-market business & Oversess turnover. Cafcutation of the FT indices of daily Equity Bargains and Equity Value and of the Rev-day averages of Equity Bargains and Equity Value, was discontinued on July 31. Closing values for July 28 available on request. London report and latest Share Index Tel. 8088 123001. Open 10 a.m. 11 a.m. 12 p.m. 1736.4 1736.0 1737.2 1749.8 2 p.m. 1782.2 Day's Low 2194.6 FT-SE, Hourly changes 1 p.m. 2215.9 Open 10 a.m. 11 a.m. 12 p.m. 2195.2 2199.7 2199.7 2 p.m. 2218.8 3 p.m. 2218.8 4 p.m. 2219.7

FINANCIAL TIMES STOCK INDICES

TRADING VOLUME IN MAJOR STOCKS The following is based on trading volume for most Aigha securities dealt through the SEAQ system vesterday until 5 pm.

Stack	600's	Price	-	Sect	ON's	Chestra Price	Sey's	Sect	Victoria (MD')	Closing Price	Bay's charge	Stack	Volume COS's	Desires Price	Day's change
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Atter Spingel	6,800 6,800 2,725 2,708	156%	大学ながら	Delycty	451	375	+2	Legrie	757 140 301 221 372	22	19	Salesbury	30	3	42 42
ASING LOSS	254	471	+1		532	104	+L	100	380	565	+4	Scott & Mencactie	ملاة	349	+2
intiral	2,725	7	D.	Esp. Date: (1275	417	311	+3	11.8 Comp	. 7,	780	43	Sers	1,600 500 1,700 592	354	+2
Angli Green	2,70	20	- 10	Estapolar 02	.⇔	62	+2	MERC	3/2	474	+1	Selection.		226	
Ara. Brit. Fonds	1,100	100	14	Count Arriant	1,100	1063	+17	Married Comm	1,860	145	+1/2	Stell Transport	1,700	40	+11
RAT has	1 400	765	-6	Crewel Flort	3,000	214	15	Messa Jehart	1 1	1800 M	43	Sloud Ests	77	100	T24
96T	914	24	**	Cital	643	144.3	120	Principal Back	1,186 761	339	17	Suite & Hecken	1,100	1¥	4116
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194 let	. 22	222	-1	(dan)	1.500 2.200	314	-4	Rorthern Feods	DI.	299	+3	Standard Chartered	1,300	535	+10
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Bartiers	1,200	- 25	+13	QISA	3,400	1044	+34	Pearson		719 304 304 406	+4	San Alltace		29/	13
For Chris	207	7/3	12	001	773	47	+5	Pitriotes	2,066 6,980 3,330 1,500 203 1,400 1,366 105	300	-2	Tr Comment	썢	400	7
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Irt. lengtes	982	520	+13	Nov	3,400	223	+14	RELEA	1.500	426	+4	Tate & Lyte	3,300 646 84	255	+6
British Janeses	771	202	41	Harrison & Com	3,400 213 35 500	16	_	ROOC	203	150 X43	+1	Laylor Whodraw	. 84	258	
British Gas	6,380	2077	+5	Inter States	35	621	+2	RTZ	1 400	529	+6	Testo	1,861	167	+2
		301		Hillston High	300	-	+4	Ratal	130	244	+1	TROWN EMT	636	733	+2 +4 +5
Brigal Steel	1300 1300 1300 1300 1300 1300 1300 1300	-	+6-2	W	3 200	100	42	Rank Org.	180		14	Trafalger House		127	12
British Telegram	3	733	+14	ackant	777	2/3	+3	Refined	47	4/7	+2	(hranar	7,300	1141	151
Berman (M)	77	43	14.	bear	¥4	165	13	Resiliant and and and	824	407	77	Univer	9,700 785	-77	41
Beries	2.100	189	4	Confisher	1,500	20	14	Resters	312	525 407 976	+5	Delted Bizzelts	1,200	341	ā
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Cortes Comme	1,30	- 25	+10		.45	40	14	Royal Dir of Scotlant	_307	179		Whiterest "A"	2,700 1,000	373	+5 -2
Conserval Maio	1,300	- 67	48	Legal & General	- 665	373	44	teri beret	7,600	480	+5	Wildiams Hildgs	1,090	236	-Z

will come and go."
A profits warning accompa-

United Biscuits was again

one the most actively traded stocks in the food manufactur-

ing sector, as talk persisted of a possible European joint ven-ture. UB closed 7 up at 361p. Unigate regained its compo-sure after its losses earlier in

the week. Dealers said the rise

of 9 to 330p reflected a techni-cal recovery from an oversold

position. Cadbury Schweppes gained 6 to 338p on positive

Full-year profits were better

than expected at Capital Radio. But a warning of slower

nying interim figures sent shares in Edbro sliding. The company reported interim profits of £2m up from £1.6m, with earnings per share rising to 18p from 18p. The statement, however, warned that profits from the UK and France had dropped sharply and were likely to continue lower, thus sales and profits were expected to decline in the second half. The shares fell 25 to close at 315p. An announcement that British Aerospace's Rover subsidiary was to make a £130m investment in tooling and assembly facilities for the next emeration of executive cars at its Cowley plant lifted the company shares, and they closed up 13 at 520p

Wednesday's announcement that Nash Industries had bought a 5.9 stake in Clayhithe continued to drive the shares and Clayhithe rose 13 to 1840; however, Nash were lower at 1889, down 2 on the day.
Having reported healthy interim profits the previous day, Wyndham Group suffered from profit-taking and the

shares eased 9 to 247p. One analyst said: "This is one of the smaller companies involved in property that is in good shape. There should still be growth in Wyndham. I think the market has not been discerning on this one."
The denial from the Barcley

growth in advertising revenues cast a cloud over the shares which fell 40 to 973p.

The impact of last week's press speculation that a predator was stalking Granada continued to fade. The shares put in the worst performance in brothers that they were about to hid for Williams Holdings took the previous day's stee out of the shares and they fell another 2 to 236p.

the FT-SE 100 by falling 6 to 314p. Dealers also caught wind of a large block held by one of their rivals. They marked the their rivals. They marked the price lower knowing that there was a share overhang.

Rosehaugh alipped back as the market reacted negatively to its full year results. The share price, after a rise of 94 in three successive trading days, dropped 33 to 521p.

The property group's shares had been boosted by speculation that Olympia & York was set to launch a bid. However, the company results halted such talk and the its price fell. Apart from Boots, the rela-tively good trade figures underpinned the stores sector and most of the leaders added a few pence. A "trading buy" recommendation from County Nat-West WoodMac for Great Uni-

versal Stores pushed the "A" shares 34 better to 1044p. County thinks the company may re-activate its share buyback operation after publishing interim figures early next month. Analysts there also estimate the company's asset value at more than 1100p a share, compared with the bal-ance sheet figure of 1060p. GUS will probably see a good short-term return on new-time purchases," said County, Rothmans climbed 10 to 650p

after revealing a 21 per cent improvement in interim profits and almost doubling the dividend to 6.2n.

■ Other market statistics. including FT-Actuaries Share Index and London Traded Options, Page 29

Retailer stake sold

Early interest centred on Storehouse, following reports that Mountleigh's 1.5 per cent stake had been sold. Moun-tleigh said it did not tieigh said it did not comment on market rumours. Most marketmakers were

prepared to assume Mountleigh was the source of the block of 6m shares recorded on the Seaq ticker. "The numbers add up," said one dealer. add up," "although there are several stakeholders around."

The others large stakeholders are Mr Robert Maxwell, with 3.5 per cent, investment institution M & G, with 6.6 per cent, and Mr Asher Edelman, the US arbitrageur, with 9 per cent. Of these, only the Max-well stake was mentioned as apossible alternative to Mountleigh, but the suggestion was given little credibility. The supposed sale price of 116p was regarded by some marketmak-ers as an overestimate.

1.7

,75 J.T

Turnover in Storehouse swelled to 13m shares and the price rose 4½ to close at 117½p, the day's peak, Goldman Sacha, said to have conducted the large trade, was bidding for stock for most of the

Boots doubts Good sentiment from the

near 21 per cent interim profits improvement from Boots, at the high end of expectations, was more than outweighed by a disappointing analysts' meeting. The company was less than forthcoming about Ward White, its recent acquisition, they complained. "Usually Boots is very co-operative," said one. "It make you wonder exactly what they found." The shares climbed 4 to 258p

in early trading but slipped to 251p after the meeting. They recovered by the close to end a 1/2 easier on the day at 253½p.
The price was also held back, said dealers, by Boots' assurance that it intended to keep its pharmaceutical business for the long term. Some investors had bought in the hope that the company would receive a cash injection from the sale of the pharmaceutical business, which has been criticised for not enjoying the economies of scale of its main competitors.

Disposals by BP The latest news of BP's programme of disposals of its worldwide coal interests was given a good reception by the market where BP shares ended the session a net 6% higher at 309%p. Turnover was 5.9m.

African coal businesses, including its 88.5 per cent stake in the Middelburg coal mine, for \$225m. The UK oil company has already sold its Australian coal businesses, raising a figure of \$275m and is now looking to sell the US coal business, possibly for a figure

Mr Fergus McLeod at BZW described the \$225m BP received for its South African interests as a "good price" and said that the total now likely to be raised by the disposals of the coal businesses should be assured \$200m "Persions estiaround \$800m. "Previous esti-mates of the sale total were in the region of \$500-\$700m - this is another step forward in BP's debt reduction programme." Mr Alan Marshall of Nomura

Mr Alan Marshall of Nomira Research Institute agreed that the programme of sales was doing better than one might have expected — from a figure of £300m it looks as if the sales will bring in closer to £500-£600m." But the Nomura analyst says he is "still a seller of BP; we see the oil price as vulnerable over a three month period."

Brokers continued to sell

Amstrad, which retreated fur-ther to close a net 2% off at 37%p on turnover of 2.8m. The street bout of weakness in the stock came as specialists said the group was being hit by poor retail sales. "We are now well past the Christmas stock-ing up period for retailers and demand is instruct these "catif demand is just not there," said one analyst. "Amstrad looks to be caught in a victous circle, they are carrying a £300m-plus inventory which is proving difficult to shift."

It was also said that Amstrad has shelved the advertising campaign begun in the Autumn and that the group's much-vaunted fax machine may now not be in the shops until January. Elsewhere talk that one of the leading agency brokers has downgraded its profits forecast hit Logica which closed a net 13 down at 3230.

The management shake up at British & Commonwealth failed to reverse the slide in

Persy Hindres (ess).

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One analyst said yesterday the principal concern contin-ued to be B & C's cash flow reduction in the group's final dividend. Mr John Gunn, B&C's chairman, denied that any further management

hanges were being planned. TSB attracted some heavy and persistent buying as well as substantial switching out of the "big-four" into TSB stock. At the close TSB were 2 firmer at 120p, with turnover reaching The clearers were not left

the clearers were not lest behind. Barclays added 13 at 534p on 1.2m while NatWest moved up 11 to 337p on 3.1m shares. Standard Chartered, boosted in recent sessions by revived stories that Lloyds might be taking another look at the bank, rose 10 more to 535p on im, with the stock chased hard by one particular

Life assurance stocks rose after Lloyds Abbey moved shead briskly in the wake of a buy note from one of the leading broking firms. Lloyds were 11 higher at 291p. Refuge continued to reflect talk in the market that Athena, the French insurance group, had been back in the market buy-ing the shares which closed 21 up at 668p. British Gas continued to

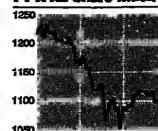
respond to the seminar on Wednesday given to energy sector analysts and institu-tions. British Gas shares moved up 5 to 209%p on another good turnover of 8.3m, The Citicorp Scrimgeonr Victors team, long-time bulls of Gas, said the shares "are still going to outperform, and there is the possibility of the exploration and production assets being floated off. Gas's valuation of \$4bn is on the conservative side - to sell them off servative side - to sell them off could bring a conservative 130p a share." Nomura Research side is retained their 230p a share target - "The Gas presentation underlines the value locked away in the shares."

Calor were upset by the interim figures, the shares slipping 7 to 420p. BZW described the results as "disappointingsf-

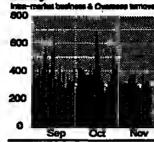
the results as "disappointingfithe latter's shares which dropped a further 10 to 82p on turnover of 4.5m, having retreated 16 the previous day.

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MINITED PUNCES (5) Tream, 12-1, pa 1805,
Tream, 14-2, pa 1805, COPPORATION LOANS
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FT-A All-Share Index



Equity Shares Traded



time of £7.8m. But Citicorp said. tion "will keep the shares up although they are highly weather dependent and you have to remember we've had two mild winters in a row."

Burmah rose 8 to 665p.

Hickson International gained 11 to 239p on the news that Finish—Service controlled by Mr Jack Dellal is to sell Bush House, home of the BBC World Service, for about £130m. Mr Dellal has a 18 per cent stake in Hickson and marketmakers thought the money from the deal could be used to launch a bid for Hickson. But an analyst said: "The proceeds of the sale of this

property will not provide suffi-cient funds for the current take holder to launch a full hid for the company."

Cookson emerged from the gloom of last week's downgradings and the shares rose 15 to 268p, a move said to have been

helped by a James Capel pre But some remain sceptical about prospects for the stock. Oliver Fear and Martin Evans at BZW said: "Despite today's move, we still think the stock looks vulnerable, given the uncertain trading climate in the UK and the US and the high gearing level which should reach 100 per cent of a hareholders' funds by the versend."

year-end."

Kwik-Fit moved sharply down on a takeover panel rul-ing that Continental AG, the West German tyre maker with a 13 per cent holding in Kwik-Fit, cannot make a bid for the company because it had already said it did not want a majority stake. The panel said:
"We take the view that this is a statement of no intention to

Having fallen 13 to 120p, the shares then rallied to close at

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APPOINTMENTS

NEW HIGHS AND LOWS FOR 1989

London Buses finance man



Mr Rodney Pangbourne (above) has been appointed finance director at LONDON BUSES, taking over from Mr Clive Hodson who became managing director earlier this year. Mr Pangbourne joins year. Mr Panguourue Joins from parent company London Regional Transport where he was responsible for group financial and management

VISTA ENTERTAINMENTS has appointed Mr John Sadiq as deputy chairman and chief executive. He was chairman of March Holdings.

Mr Ian Tegner, director, group finance, Midland Bank, joins CONTROL RISKS GROUP as a non-executive director from January L

Mr Trevor Bush has been appointed assistant general manager (treasury) of BANCO SANTANDER, London branch. He was treasury manager.

COCA-COLA & SCHWEPPES BEVERAGES Uxbridge, has appointed Ms Penny Davies as commercial director. She was marketing director. Mr Richard Beardon becomes director of operations. He was a director of H.J.

m Mr Michael Jones has been appointed sales director, and Mr John Gregory becomes works director from January 1 at the STANDARD WIRE COMPANY, Sowerby Bridge, part of the Siddall & Hilton

■ Following the acquisition of the SMAC Group, LOCKERS has appointed its finance director, Mr Allan Marston, as group operations director. He will continue as deputy chairman of the Northern Motor board and as a director of SMAC. Mr Stephen Spencer becomes group financial controller.

Sir Brian David Hayes and Mr Anthony John Tennant have been appointed additional directors to the boards of GUARDIAN ROYAL **EXCHANGE**, Guardian Royal Exchange Assurance, Guardian Assurance, and The Royal Exchange Assurance.

■ Following the retirement of Mr Brian Bonfield, Mr



Mr J.M.P. "Max" Taylor (above) has been appointed managing director of WILLIS FABER &

Phillip Howard has been appointed chairman of Brook Crompton Parkinson Motors; and Mr Frank Mack becomes chairman of Fasco Industries Inc and Fasco Control Corporation - all HAWKER SIDDELEY GROUP operating

RESPONSE GROUP has appointed Mr Nigel Woodland as chief executive of Response Hosiery and Ballet International. He was with Coloroll as managing director of Edinburgh Crystal.

FAIRCLOUGH BUILDING. Surbiton, has appointed Mr E.G. Smyth as corporate marketing director.

British Airways head of the environment

BRITISH AIRWAYS has

appointed Dr Hugh Somerville as its first head of the environment from December 4. He was senior adviser on environmental and occupational health affairs with Occidental Petroleum. Aberdeen, BA says Dr Somerville's first task will be an airline-wide environmental audit before proposing practical recommendations.



Mr Walter Jung (above) has joined the board of BLEN-HEIM EXHIBITIONS GROUP as the director responsible for group activities in West Germany. He is the founder of Prasent Service Institut, acquired by Blenheim last July.

NORDIC COUNTRIES + 1992

The Financial Times proposes to publish this survey on:

25th January 1990

For a full editorial synopsis and advertisement details, please contact:

Chris Schaanning or Gillian King on 01-873 3428 or 01-873 4823

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FINANCIAL TIMES

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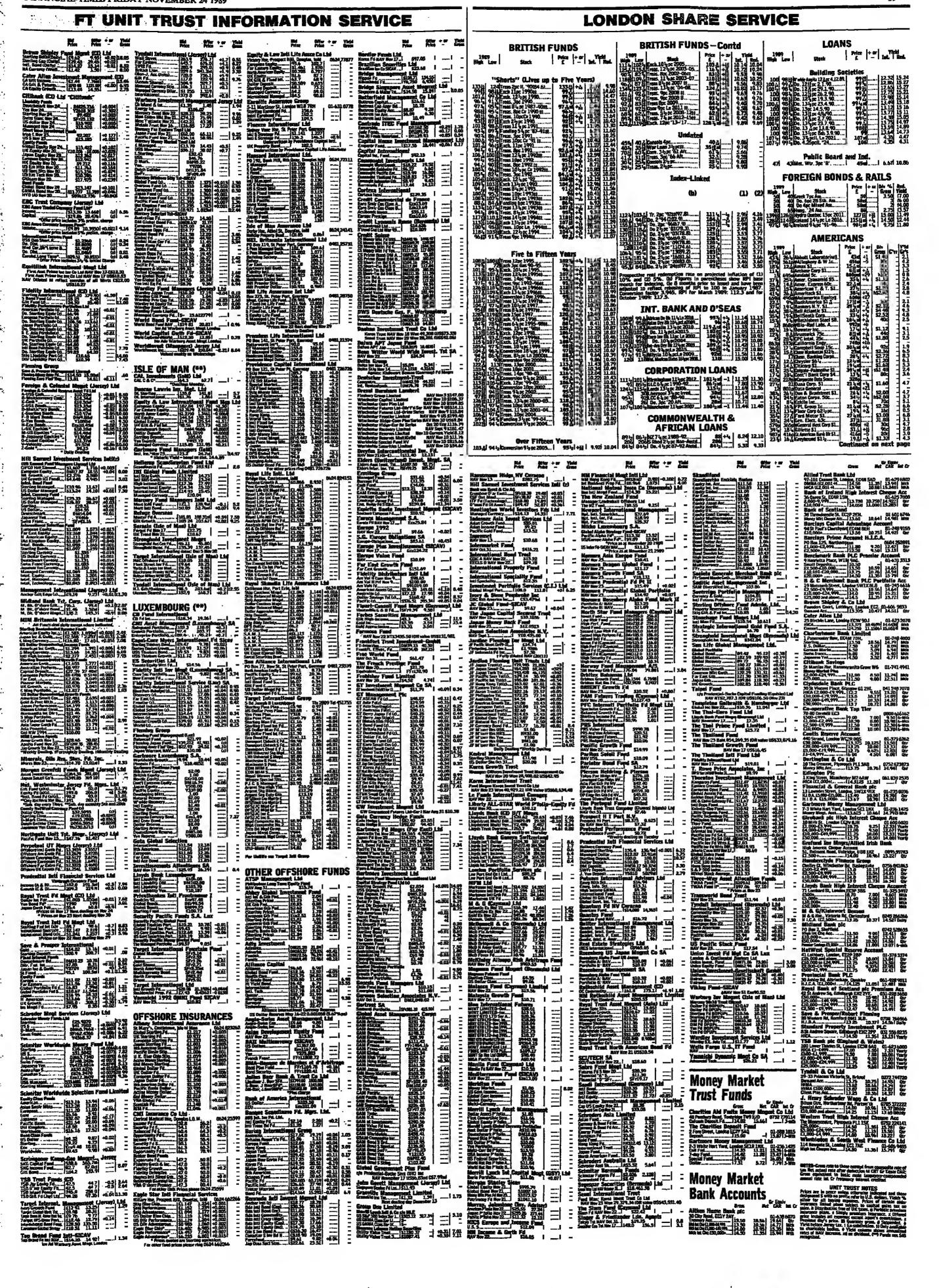
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CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Pound weathers trade hurdle

£1.54bn in October, compared with a revised £1.62bn in September. The market had feared e figure of over £2hn and, therefore, there was some room for recovery. A fall in exports and imports suggests the economy continues to slow.

The boost was temporary however. Sterling rose to DM2.8450 from DM2.8400 on the figures, but within 30 minutes had returned to DM2.8400. In very quiet London afternoon trading the pound drifted down to close et DM2.8375, but remained above Wednesday's close of DM2.8325.

Sterling fell 30 points to \$1.5620 against a generally firm dollar, but rose to Y225.25 from Y224.75; to SFr2.5250 from SFr2.5200; and to FFr9.6650 from SFr9.6550. The pound's index fell 0.1 to 87.0.

The UK trade figures were the only news item to enliven a dull day. New York was closed for Thanksgiving, and Tokyo was also shut for a public holi-

day. Sterling has weathered the most difficult economic hurdle of the month, but the market continues to view the currency as vulnerable, despite the fact that no further important eco-nomic news is due until the

E IN NEW YORK

£Spot 1.5645-1 1 mosth 0.93-0 3 mosths 2.57-2 12 mosths 8.67-8	5695 92pm 55pm	1.5695-1.5705 0.92-0.91pm 2.58-2.56pm 8.77-8.67pm
Forward premiums and disc STERLING	cunts ap	ply to the US dollar
	Nov.	23 Previous
8.30 am	86. 86.	87.3 87.2

9,00 10,00 11,00 None 1,00 2,00 3,00 4,00	200 200 200 200 200 200 200 200		86.9 66.9 67.0 87.1 87.1 87.1 87.1	87.2 87.2 87.2 87.2 87.0 86.9 87.0
C	UR	REN	CY RA	TES
Nov.2	23	Bank rate	Special* Drawing Rights	Currency Unit
-				

Nos.23	Bank rate	Special* Drawing Rights	European Currency Unit
Sterling of	104 105 760 760 104 135 8	1.22533 1.28248 1.50074 15.2790 48.6276 9.00185 M/A 2.61282 7.89746 1707.73 184.514 8.77277 148.410 8.20787 2.06101 210.340 0.88461	1,39958 1,12444 1,31425 14,3737 42,8608 7,99068 2,04142 2,30297 6,95522 1504,11 162,234 7,73615 130,784 7,22903 1,81597 1,85,319 0,77488
# Sterling quote	d in term	s of SDR and	ECII per L

† European Commisssion Calculations. All SDR rates are for Nov.22	children.
* All SDR rates are for Nov.22	
CURRENCY MOVE	MEN

Nov.23	Bank of England Index	Morgani ^{es} Guaranty Clumpts %			
Sterflog U.S Dottar U.S Dottar Canadian Dollar Austrian Schilling Reletan Franc Danista Kroee Dentside Mark Swiss Franc Gattor Franc Lira You	87.0 69.6 105.2 108.7 108.7 106.7 116.4 106.8 112.9 101.5 99.7 134.5	-23.9 -8.8 +1.8 +1.3 +1.7 +23.6 +15.4 +15.5 -14.8 +64.8			

1982 - 100, Bank of England Index (Base Avera

Nov.23	3	\$		
Argentina	1015.60 - 1024.30	650.00-655.00		
Australia	10 4100 10 4690	1.2780 - 1.2790 6.6610 - 6.6950		
Brazil Finland	6.6280 - 6.6480	4.2440 - 4.2470		
Greece	254.95 - 259.50	163.35 - 165.95		
Hous Kuns .	12.2090 - 12.2205	7.8105-7.8125		
ran	113.20	71,50°		
Korea(Sth)	1045.40-1062.25	669.70-674,90		
Kurwait	10.46690 -0.46830 59.45 -59.55	0.29860 · 0.2993		
Malasia	4 2295 - 4 2400	2 7060 - 2 7080		
Mexico	4126.85 - 4143.80	2640.00 - 2650.0		
M. Zealand .	26570-26630	1,7005 - 1,7035		
Sandi Ar	5.8630 - 5.8685	3.7500 - 3.7510		
Slagapare	3.0605 - 3.0655	1.9580 -1.9600		
S. Af (Cm)	4,0855-4.0965	2.6150 - 2.6180		
S. Af (Fe) _	6.1555 - 6.2790	3.9370 - 4.0160 26.05 - 26.10		
UAE.	5.7410 -5.7465	3,6725 - 3,6735		

STERLING rose about ½ middle of next month. Political considerations are now likely to dominate, amid concern to dominate, amid concern about a possible challenge to about a possible challenge to Mrs Margaret Thatcher as leader of the ruling Conservative Party. A serious threat to Mrs Thatcher would certainly undermine confidence.

If this does not materialise, the etrength of the D-Mark, may be the most pressing prob-lem for the pound. The mone-tary policy of the Bundesbank remains vital. The West German central bank has shown no sign of tightening its mone-tary stance recently, but the inflationary threat from the situation in East Germany remains a potential difficulty.

Some comfort may be drawn from news that West German M3 money supply grew at an annual rate of 4.7 per cent in September, below the Bundesbank's target of 5 per cent for the year, and down from 5.1 per cent in August.

An indirect call for sterling to become a full member of the European Monetary System was contained in the Bundesbank's monthly report, as was e call for currencies such as the lira and the pesets enjoy-ing wider divergence condi-tions to accept the same terms as other members. The Bundes-bank said all European Com-munity members should join the exchange rate mechanism and all currencies should be allowed the same margin of

The D-Mark remained within its cross rate limits against the weaker EMS currencies yesterday, and continued to advance against the Japanese yen, ris-ing to Y79.43 at the London close from Y79.86. In quiet London trading the dollar rose to DM1.8160 from DM1.8100; to Y144.25 from Y143.65; to SFr1.6160 from SFr1.6105; and to FFr6.1875 from FFr6.1700. Its dex was unchanged at 69.6.

Ren 2	3	Short term	7 Days estice		One Morth		ree refle	Six Months		One Year
Sterling US Dotter Can, Dotter Can, Dotter Se, Franc Deutschnark Fr. Franc Italian Lira 8, Fr. (Fin) 8, Fr. (Con) Ven O, Krone Asian SSing		15-145 83-86 12-114 83-62 7-7-7-7-7-101-100 91-91 10-100 91-91 04-6 12-111 81-83	15-147 82-81 12-117 84-84 76-76 101-101 10-79 10-79 10-79 10-79 10-79 10-79 10-79 10-79 10-79 10-79 10-79 10-79 10-79	1	15.1-15 83-83 24-113 83-83 71-73 10-104 24-104 24-104 24-113 33-83	812 8774 8 12 12 12 12 12 12 12 12 12 12 12 12 12	77,1912	148-144 84-84 14-14-1 14-14-1 84-84 11-14-1 98-98-1 114-11-84	1	41-141 01-15-11 71-71 81-81 10-10-10-10-10-10-10-10-10-10-10-10-10-1
years 84-842	per cen	t ecentral. Sh	rs 81,-81, per ce ort term rates are	الت	for US Del	25 244	وعمومول.	Yes, others, t	300 day	s' actio
Nov.23		Day's	Close	-	One me		1	Three months	Ť	7
US Canada Canada Retherlands , Belgions Desoraris Retland W. Germany Portugal Spain fitaly Hormay France Sweden Japan Switterland Switterland Commercial 79,60-59,70	1.822 3.1 59.1 10.98 1.074 244.6 181.0 2084 10.01 224 19.9 2.51 1.388	5 - 15675 0 - 18300 9 - 3201 10 - 59,75 1 - 11,044 10 - 1,0825 3 - 2,841 0 - 2,951 10 - 182,30 10 - 182,30 10 - 10,771 10 -	1.5615 · 1.56: 1.826 · 1.825 · 1.825 · 1.825 · 1.825 · 1.82 · 1.8	55 55 56 66 67 57 57 57 57 57 57 57 57 57 57 57 57 57	24-24-0 0.40-0.3 14-14-1 10-13-24-24-24-24-24-24-24-24-24-24-24-24-24-	COM	6.49 2.83 6.56 5.14 2.72 4.19 7.14 0.34 0.49 2.30 3.06 8.32 7.43 4.33 8.22 7.43 4.33	84-7 0-95-08 41-4 50-11 12-1 74-7 102-1 71-6 45-41 313-28 41-41 1-41-13		4.47 6.22 5.03 3.33 4.64 -1.21 2.11 2.11 2.13 4.24 2.86 7.03 3.89 ctal fran
DOLL	AR	SPOT-	FORWA	A.F.	D AG	AIN	IST	THE D	OL	AR
		Day's	~		-		7	Three	T	-

EURO-CURRENCY INTEREST RATES

DOLL	AR SPOT	- FORWAR	ED AGAIN	1ST '	THE DOL	LAR
Nov.23	Day's spread	Clase .	One month	94	Three mostles	2
UKł	1.5585 - 1.5675	1,5615 - 1,5625	0.86-0.83cam	6.49	2.54-2.51pm	6.4
relandt	14475-14540	1.4515 - 1.4525	0.30-0.25cpm	2.31	1.23-1.13gm	3.2
Carracte	1.1675 - 1.1690	1,1680 - 1,1690	0.34-0.38cds	43.70	1.08-1,1434	-32
Netherlands	20415-20530	2.0485 - 2.0495	0.02pm-0.05otis	-0.09	0.02-0.06db	-41,100
Belgium	38.00 - 38.25	38.05 - 38.15	3.50-5.50mk	-142	12.50 11.50m	-1.2
Jernwek	7.03-7.074	7.05 - 7.05 2	2.05-2.40gredts	-3.79	6.10-6.7001	-3.8
W. Germany	1.8095 - 1.8200	1.0155 • 1.0165	0.12-0.09pfpm	0.69	0,12-0.09pm	0.7
tertogal	157.15 - 157.55	157.15 - 157.25	75-90c/h	430	285-325ds	-7.77
pain	115 85 - 116.45	116.25 - 116.15	52-62cds	-5.88	183-19305	-6.47
taly	1333 - 13394	13364 - 13374	4.60-5.1011reds	4.36	14.40-15.40(%)	-4.4
lorway	6.86% - 6.89%	6.874 - 6.884	1.80-2.15orests	-3.44	6.15-6.75ds	-3.7
139ER	617-619	6.1812 - 6.19	1.02-1.09cms	-2.05	3.40-3.60db	2.7
weder	6414-644	6.424 - 6.424	1.80-2.05oreffs	-360		-3.66
(apan	143.35-144.40	144.20 - 144.30	0.24-0.22ypm	1.91	0.60-0.57pm	1,6
lustria	12 7413 - 12 8014	12784 - 12784	0.15-0.55gradis	-0.33	0.60-2 10de	-0.40
Switzerland .	1.6095 - 1.6185	10122-10102	0.14-0.11cpm	0.93	0.25-0.20m	9.50
ECU	11205-1125	1.1235 - 1.1245	0.21-0.20cm	219	0.79-0.67pm	2.44

115 85- 1333- Morway	13994 133 6.894 6.8 6.19 6.1 6.44 6.4 144.40 144 12.804 12.7 1.6185 1.6	74 - 6.884 18 84 - 6.19 1 24 - 6.424 18 120 - 144.38 0 84 - 12.784 0.1 155 - 1.6165 0	52-62cds 50-5_10lireds 50-2_15oreds 1.02-1_09cds 1.02-0_5oreds 1.24-0_22ypn 5-0_55oreds 1.4-0_1_lepts 1.4-0_1_lepts 1.21-0_20cpus	4.35 14.40.1 3.44 6.154 -2.05 3.40 -3.60 5.654 1.91 0.604 -0.93 0.254	1930s 4 140h; 4 1,750s 3 1,60h; 3 1,10h; 3 1,10h; 4 1,20pn 0
Commercial rates taken presidents and discounts traces. Financial frace 3	UROPE.	of London trading dollar and ext. to	the individual o	UNIT RA	te la for comm
Belgian Franc Doubh Krone Sermon D-Mark French Franc State Guilder Trish Pyol Lalian Liva	7885 42.4582 7.85212 2.05853 6.90403 2.31943 0.769411 1483.58	Nov.23 42.8608 7.95066 2.04142 6.95522 2.36297 0.774985 1504.11	+0.95 +1.00 -0.63 +0.74 -0.71 +0.84	40.90 40.95 40.85 40.89 40.79	±1.542A ±1.6419 ±1.1619 ±1.3719 ±1.5669 ±1.6669 ±4.0815
Charges are for Ecu, the Adjustment calculated by	233.004 refere positive of Financial Time	130,784 house desintes a no		TES	24,0013

	EXCHANGE CROSS RATES												
Hov.23	5	\$	DM	Yes	F Fr.	S Fr.	H FL	Ura	CS	B Fr			
<u>£</u>	0.640	1.562 1	2.838 1.817	225.3 144.2	9.665 6.126	255 1617	3.200 2.049	2097 1337	1.825 1.168	77.5 34.0			
DM	0.352 4.439	0.550 6.933	12.60	79.39 1001	3.406 42.90	0.890 11.21	1128	736.1 9272	8.100	20.T			
F Fr. S Fr.	1.035	1.616 0.619	2 936 1 124	2331 89.23	10. 3.826	2613	13)	2161 827.3	1723	61 % 23 %			
H FL Link	0.313	0.468 0.748	0.887 1.359	70.41 107.9	3.020 4.627	0.789	1532	652.8 1000.	0.570 0.874	18.57			
CS 8 Fr.	0.548	0.854 2.625	場 4.770	123.5 378.7	5.2% 16.24	1384	1.753	监	3.067	32.60			

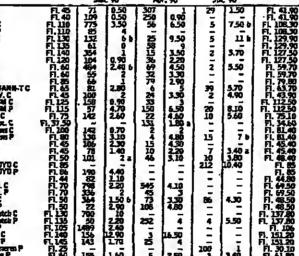
ESO,000	MA CELT I	OTURES I	PTIONS		LIFFE U \$162,00	S TREASUR SAIDE of 1	7 BOND 82%	FUTURES 6	PTHES		an fata 91 pilos :		45	
Siring Price 88 89 90 91 92 93 94	Calls and Dec 3-24 2-24 1-24 0-25 0-00 0-00	4-51 3-60 3-10 2-29 1-54 1-21 0-61	Pris-ret 0-00 0-00 0-00 0-00 0-40 1-40 2-40	649 6-17 8-26 9-40 8-79 1-20 1-51 2-27	Strike Price 96 97 98 99 180 181 182	Calls 20 Mar 409 3-22 2-39 1-63 1-27 1-01 0-45	4.35 3-36 3-36 3-36 3-36 3-36 3-36 3-36 3-	Pats-sets Mar 0-29 0-42 0-59 1-19 1-47 2-21 3-01	1-03 1-24 1-48 2-13 2-46 3-19 3-59	Strike Prize 9009 9050 9150 9250 9250 9250	251 151 151 151 151 151 151 151 151 151	Mar 1.97 1.99 1.26 0.97 0.74 0.54 0.39	Puts-100 0.00 0.00 0.00 0.00 0.47 0.49	6.40 0.28 0.40 0.57 0.78 1.05 1.70
Estimates Previous s	rolong to lay's spec ir	rai, Calls I e. Calls 21	1015 Pals 173 Pals 18	1898 11,47	Estimate Freehold	ing's open in	Lail Calls Lails 22	O Puts 0 S Pets 337		- Extinate	i volume te tay's egen i	tal, Calls 3 L Cara 32	277 Pats 165 Pota 2	2) A7 2557
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	000 14.25 11.25 6.25 2.41 0.61 0.09 6.01			in 0.04 0.25 1.03 2.90 6.10 10.32		0.50 0.25 0.09 0.02 0.01 0.00 0.00			0.05 0.05 0.05 0.05 0.05 0.05 0.05	Surface Printer 8475 8575 8525 8525 8535 8600 8525 8535 8500 8525	Dec 0.33 0.14 0.06 0.03 0.01 0.00 0.00 0.00 0.00 0.00 0.00	125 125 104 0.64 0.51 0.57 0.57 0.57	0.04 0.19 0.25 0.47 0.72 0.96	0.09 0.13 0.15 0.25 0.46 0.60
CHICA	reg pil, sobre ji	E. 128 21	PIEL JE		PETOL	199's obce ju	E (285.30	ON 1783 200	15		Grand Street			; 379 <i>0</i> 0
	Stilly per 32min of 2	185 (CBT)	1%	_	JAPANES VI2 See 1	E YEN DIE	10			1560	1-10	3-04	6-1	12-00
Dec Sep Dec Sep	9888888	94-2 20 99-2 12 99-1	100 91-01 91	94-12 94-14 98-25 98-25	Dec Mar Jun	0.498 0.701 0.703	6 0.69 4 0.70 4 0.70	שמתנט כי	9.49% 0.7005 0.7029	Blac Mar Jac	1.50 1.50 1.51	第,题	2 1.29	8 1563 0 1538
Dec Mar	98-0 97-1 97-0	1 70-0	97-20	98-04 97-21 97-21 97-13 97-17	347.25,6	E MARK (8 X S per Di		d Lo	Presi.	LOND		FE		
,t=		Jan.			Dec Mar	0.551 0.551 0.550	2 0.554	3 0.550 5 0.550 7 0.550	0.5522 0.5522 0.5522	20-TEAR	9% (807)d	NA CAT		
OLS. TREE SLIP public Dec	General 100% of 100% 92.7 91.4		7 45.22	92.71	THEFT	0.550 Datta EUR s at 186% Clor 91.7	MORILAR (7 0.5505	0.5518	Dec star Just Estimated	State of 2 Chase 91-12 92-17 volume 20	91-12 92-16	92-01 92-01 93-01	10 10

9240 9241 924 924 927 925 915 915 916

					Sep.		915	91.7L 91.68	91.67 91.61	917
	RWISS FIRMC CHANG Nº 125,000 S per Silv Class High Low Pres					ية خطارة ما رسطا	POGRS 5	oo index		_
Dec Mar Jun Sep	0.6209 0.6214 0.6218 0.6226	0.62% 0.62% 0.62%	1814.0 7814.0 7814.0	0.6215 0.6227 0.6227 0.6227	Dec Mar Just		Gree 341.91 346.80 350.70	High 341 92 347 55 351 40	139.59 345.60 349.75	Pres 341.9 345.8 349.8
PHILADEL £11,250 G		BP12085	_							
Strike Price 1500 1520 1575 1500 1675 1600 Previous de Previous de	0ec 6.15 3.88 2.05 1.02 0.37 0.12 0.03 7.1 spec let:	.124 6.43 4.37 2.76 1.63 0.94 0.46 0.26 Calls 323	4 4 3 2 1 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Fth 37 31 31 31 37 42 50 53 51 50 53 51 54	Mar - 6.53 4.77 3.57 2.44 1.15 0.73 8 (All com-	Dec. 013 0.53 1.44 2.71 4.59 6.79 9.11 ecried	22.57.7.7.7.7.7.7.7.7.7.7.7.7.7.7.7.7.7.	Paiks 12 12 12 12 12 12 12 1	Feb. 1.72 2.64 3.81 3.51 7.06 9.02 1.14	Mar 244 3.42 4.71 6.24 7.97 9.88

Previous day's open let: Calls 323,967 Pets 331,168 (All corrected reviews day's valuence Calls 23,895 Pets 25,264 (All corrected)									
E	UROPE	AN	ОРТ	ION	S E	KCH	ANG	E	
		Fe	b. 90	M:	v 90	Asse	. 90		
5	eries	Val	Last	Vol	Last	Vol	Lasz	5tock	
eld C leid C leid C ald C ald C laid C laid C laid P laid P ald P	\$380 \$400 \$420 \$420 \$430 \$440 \$400 \$420 \$430	160 408 104 266 162 177 183 111 100	39.50 24 17.50 13.50 8.70 5.50 7 15 21	516000000000000000000000000000000000000	47.50 34 27 22.50 16 10.50	12811111111	39	541 541 541 541 541 541 541	
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Gold P Gold P	\$ 400 \$ 420 \$ 430	监	15 21	72	20.50	=	:	\$ 412 \$ 412 \$ 412
		De	c. 89	Ja.	a. 90	Fe	b. 90	A 90
EDE laries C EOF lades C EDE lodes C EDE lodes P EDE lodes P SYFI P SYFI P	F1, 280 F1, 290 F1, 295 F1, 275 F1, 275 F1, 280 F1, 275 F1, 215 F1, 200 F1, 220	186 273 273 273 273 273 273 273 273 273 273	10,30 6,80 4 2 0,80 1,10 2 1,40 3,50 0,30 0,90 0,90	**************************************	14.20 10.50 7.60 2.10 3 4.10 6.50 a 11.30	782 78 3	4.50	F1, 288.27 F1, 288.27 F1, 288.27 F1, 288.27 F1, 288.27 F1, 288.27 F1, 288.27 F1, 288.27 F1, 284.25 F1, 204.85 F1, 204.85
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TOTAL VOLUME IE CONTRACTS: 33,405 President day's open Int. 34724 (33)

99-12 99-10 99-02 i volume 392 (3270) day's men lat, 8223 (3635) 84.96 85.84 86.83 87.55 87.97 86.20 88.32 88.42 84.98 55.90 86.86 87.54 87.55 88.75 88.75 88.76

-	Sep Dec May Jun Sep	92.40 92.26 91.95 91.87 91.67	92.40 92.27 91.97 91.88	92.29 92.24 91.95 91.88	92.28 92.26 91.87 91.67 91.67
-	Est. Vol.	Dec. Thes. of	at shows a. 460	821 (3774 (44717)	
	THERE !	olets of 100	MANK 1%	-	_
	Dec May Jan Sep	Class 9L70 9L76 9L89 9L85	91.52 91.50 91.91 91.93	11.00 11.72 11.52 11.53	91.41 91.71 91.83 91.88
•	Estimate Previous	t volume 641 day's open ja	5 6610 L 29014 (306349	
•	THINKS IN	optive etca points of 10	1%		
	Bec Mar	99.27 89.62	89.29 89.61	89.24 89.59	Prop. 29,22 39,55
	Provises o	i volume 234 lay's open in	7051 CT	1610	
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lew 7183.0 2 2255.0 2	Pres. 182.0 224.0 364.0	12	
7339	_	15	
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MONEY MARKETS

UK rates steady

RELIEF WAS the instant reaction to the slight improvement in the October UK trade figures, but there was little immediate move in wholesale London money rates. Three-month sterling interbank was

month sterling interbank was 15 %-15 per cent before the figures, and was quoted at 15 %-15 immediately after.

Dealers said the news did not change the prospects for UK bank base rates, and that no cut in rates is likely for several months. An economic forecast for the UK from UBS Philling and Draw released Phillips and Drew, released before the trade figures, warned that base rates

UK clouring hank base leading rate 15 per cent from October 5

could rise to 16 per cent in the first quarter of next year if sterling comes under pressure. On Liffe short sterling futures hovered nervously, as the trade data were released and then fell hack on profit-taking. The Merch contract touched a peak of 86.04 during the morning, felling back to 85.95 immediately abead of the figures and then easing to 85.90

the Bank of England forecast a money market credit shortage of £800m and provided total assistance of

£667m. Before lnnch the authorities bought £329m bills by way of £25m local authority bills in band 1 at 14% per cent and £304m bank bills in band 1 at 14% per cent. In the afternoon another £338m bills were purchased, via £135m Treasury bills in band 1 at 14% per cent; £101m bank bills in band 1 at 14% per cent; £23m Treasury bills in band 2 at 14% per cent; and £79m bank bills

You per 1,000: French Fr. per 10: Lira per 1,000: Brigian Fr. per 100.

in band 2 at 14% per cent. Bills maturing in official hands, repeyment of late assistance and a take-up of Treasury bills drained £537m. with Exchequer transactions absorbing £120m, a rise in the note circulation £90m and bank balances below target £55m.

in Frankfurt call money remained at 7.30 per cent in quiet treding following Wednesday's public holiday in West Germany. Call money is in line with the rate at which the Bundeshapir has mountly the Bundesbank has recently supplied iquidity and dealers believe the central bank is happy with the situation.

Banks are not likely to encounter problems meeting their November reserve requirements, even though reserve holdings at the Bundesbenk slipped to DM50.1hn on Monday from DM53.2hn on Friday The DM53.2bn on Friday. The average for the first 20 days of the month was DM60.7hn. against an expected everage for November of DM56bn.

FT LONDON INTERBANK FIXING CLLCO a.m. Nov.237 3 meets US dollars 6 mosts US Dellas

		ONE	Y RAT	ES		
EW YORK			Treasur	elils and	Bonds	
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Futures Word

 A man had invested in a portfolio of 4 commodities. Cocoa and Aluminium yield respective profits of 40% and 60%. Short Sterling however incurs a 40% loss. What percentage profit/loss will Platinum make? (The answer is in the letters.)

2. Seven friends have decided to open a syndicate on the futures market. Adam's share is the same as Brian's and Chris's together. Brian has invested four times as much as Frank. Devid has invested helf as much as Adam but three times as much as Edward. Edward and Frank together have invested as much as Chris. George has invested as much as Chris and David together. If Brian has invested £40,000, how much has everyone

3. A man decides to drive from A to B. On day one he covers half of the entire distance. Day two sees him driving one third of the remaining distance. He is only able to drive a quarter of the distance already covered, on day three. At this stage he only has 40 miles to go to reach B. If his car has an average consumption of 8 miles/gallon, how much gasoline will have been used on completion of his journey?

4. Fill in the grid below using only letters that appear in the word SUCDEN. No letter should appear more than once in any horizontal or vertical line. Also no letter should be diagonally adjecent to the same letter.

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If you would like the answers to these questions or if indeed you have some questions of your own relating to the Commodity and Financial Futures Markets, please complete the coupon below.

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	TERMETEST GROUP	MEMBER
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JOTTER PAD

CROSSWORD

No.7,098 Set by DINMUTZ

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(6,6) 10 Pots are prepared for this tough grass (7)

11 New act, with exposed middle, in the show (7)

12 West Indian saloon with one

har to open? (5)

13 Tenacious advocate? (8)

15 Pinkerton, for example,
Auntie lent out (10)

16 Guy is dry in a pair (4)
18 Eye of storm? Crew read warning (4)
20 Dolphins bere in our cin-

ema - a smash! (10) 22 Prior to put foot down in religious surroundings (8)
24 Vigilant watcher of particu-

lar gusto (5)
26 Colour-ranges of carpets
being woven (7)
27 Underground system? (7)
28 Picture-book author? (6-6)

2 Sprinkle crushed grapes with energy (7)
3 Garden structure not solely for dippers? (4-4)
4 Twelve for Japanese drama being performed (4)
5 Flat, for example, the key does not fit (10)

does not fit (10) 6 To give deep tinge, I'm mak

21 He won't thank you for fash-ionable fireplace (7) 23 Season of discontent does not start in Bury (5)

25 Make sketches? There is room for improvement when retired (4) Solution to Puzzle No.7,097

7 Grant me change for something to wear...(7)
8....this pair of drawers has only one leg to make an impression (6-7)
9 Official in charge of conversion to steam-trains? (13).
14 This is not right in a c-cler-syman (10)

gyman (10)

17 The pasta was dandy! (5)

19 Teams appearing one by one

WORLD STOCK MARKETS

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Wachnancing to the Press BRIT 4,2 Perss BRIT 4,2 Perss Brit 4,3 Perss Brit 5,3 Perss Brit 5,3 Perss Brit 5,3 Perss Brit 5,3 Perss Brit 5,4 Pe	108,500 261,100 117,800 579,200 187,500 187,500 189,800 567,300 505,000	3/15 3/15 3/15 7/15 4/15 4/15 4/15 6/15 5/6 7/5	+ 44 + 44 + 14 + 14 + 14 + 14	AMBRE	ASDAD aus Traded ses alls achanged ew Highs	165. 13. 139.	730 147,40 102 11,57 771 124,23 168 1,98 192 62 193 53 195 52 48 4	0 128.170 9 12.626 4 114.922 2 1,959 5 467 6 1,000 9 486 3 35	
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Wachnancing to the Treats BIR to the Lorent BIR 43 Paris, Bir half barrier 33 Paris, Bir half barrier 34 Paris, Bir half ba	158,500 261,109 261,109 261,109 27,200 277,200	971-00 347-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1	on the state of th	Nov 28 3865.A3 9947.53	mer. ASDAQ mers. Trained less afts acthogold ew Highs our Long. 17 3403.62 7957.57	145. 13. 178. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1.	190 147,50 102 121,53 106 1,98 107 124,23 108 1,98 108 14 108 14 108 14 108 14 108 14 108 14 108 14 108 15 108 15 108 16 108 16	0 128.170 9 12.524 1 1.522 2 1.525 6 451 6 1.000 9 484 3 37 2 61 0.547 1.0000 1.0000	
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	Nov.	Nov.	· Nov.	Nov.	1950			
	23	22	21	20	HIGH	LOW		
MISTRALIA	****							
All Ordinaries (1/1/80)	1631.9		1629.3	1635.6	1781.8 (29)(0)	1412.9 (7/4)		
All Milating CL/1/800	834.5	839.1	8917	828.9	675.1 (29/8)	652.6 (7/40		
AUSTRIA								
Dredit Akties (30/12/84)	407.60	407.48	411,70	426.54	515.09 (11/10)	219.5 (2/1)		
MICRA					THE RESERVE			
Brunets SE (2/1/80)	6578.57	6581.19	6548.56	6505.50	6805.28 (26/9)	5519.30 (4/2		
DEMBARK					N 7			
Copenhagen SE (3/1/69)	358.99	357.22	358.6A	358.00	358.99 (23/11)	275.49 (27/2		
THEAD								
Deltas General (1975)	580.8	591.6	607.5	618.9	835.8 08/40	580.8 (23/11		
TRANCE								
CAC General (31/12/82)	517.0	514.1	515.4	536.6	561.6 (1)/100	437.9 (4/D)		
ed. Textusce(30/12/88)	218.4	117.9	117.4	1186	128.1 (10/10)	97.5 (27)2)		
DERMAKY								
AZ Aktien (33/12/58)	648.36	6	640.49	648.96	690.91 (10/10)	535.78 (27/2		
Commerciant (1/12/53)	1911.0	6	1881.7	1910.3	20568 00/10	1505.7 (27/2		
DAX (30/12/87)	1534.66		1514.09	1532.70	1657.61 (B/9)	1595.7 (27/2 1271.70 (13/2		
KONO KONO								
tang Serry Bank (31/7)640	2809,79	2012 02	2827.19	2820 20	3809.64 (15/5)	2015.61 (5)6		
Part And	2000.77							
SEQ Overall (4/1/88)	1677 22	1677.69	2683.75	1683.06	1848.93 (1649)	196644 000		
	1677.22	4011301	1001-10	400210	WHO COLUMN	1360.64 (20/1		
TALY			****					
Sensa Cons. Mal. (1972)	667.88	665.39	664.98	663.60	734.84 (31,8)	577.49 (28/2		
APAN								
Mari (26/5/49)		36286.92		35073.50	36286.92 (22/11)	30103.79 (5/1		
algo SE (Topta) (4/1)680	떮	2737.20	2717.65	2717.63	2737.20 (22/11)	2566.91 65/1		
but Section (4/1/68)	<u> </u>	3704.55	3692.41	3686.95	3804.11 (9/10)	2774.38 (27/3		
ETHERLANDS								
BS TriLitta Live (End 1983)	252.8	250.8	248.9	251.4	272,7 (21/9)	208.3 (3/1)		
BS AH 5Hr (E=# 1983)	194.1	192.6	191.1	193.0	Z10.5 (8/YB	166.7 CL/30		
DORWAY	***		****	****	*****			
Ido SE (2/1/83)	- GM 3D	609.87	615.08	688.75	695.50 (20/5)	467.17 (2/1)		
HILIPPINED								
Beatle Comp (2/1/25)	1575.55		2366.52	2396.26	1996.26 (20/10)	804.62 6370		
INCAPORE						Section 1		
traits Times Ind. (30/12/66)	1378.05	1361.67.	1349.42	1345.34	1431.85 G2/10	2030.69 (4/3)		
OUTH AFRICA								
SE GOM (28/4778)	27102.04	2173.0	2057.0	1977.0	2113.0 (22/11)	1291.0 05/2		
SE transtrial (28/9/78)	2575.04	2572.0	2564.B	2560.0	2638.0 (25/8)	1961.0 CVI)		
OUTH KOMEA*								
Cores Comp Ex. (4/1/80)	890.65	889.15	884.17	889.97	2007.80 (3/40	846.30 (1/7)		
PAR			-		~			
Tale 16 SE (50/12/85)	300.14	299.16	297.98	299.35	325.93 (33/9)	268.61 (1/3)		
WEDEN.	******							
acuteen & P. (20/12/56)	3884.5	3870.6	3928.3	3967.3	4660.3 (1640)	3833.9 CVD		
MIZENIAND		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,						
wiss Bank Ind. (SU/12/58)	750.7	744.4	741.0	743.6	829.1 66/90	423.1 C/D		
AWAN'S	_,,,,,,	,,,,,	, 72.0	,		ant chi		
	100000 00	mar '=	10000 44	10340 OF	10777 11 224			
	10094.44	7773-25	10098.60	TOTON, O.	10773.11 (25/9)	4873,01 (5/1)		
HAE AND		-	-		700 00			
THE PARTY CONTRACTOR	762.21	799.27	792.20	777.75	792.20 (21/11)	386.73 (2/1)		
aughok SET (30/4/75)								
anglesk SET (30/4/75) (CORLD LS, Capital Irel, (1/1/70)		533.8	530.4	529.2	551.2 (3/8)	487,6 (13/6)		

TOKYO - Most Active Stocks Wednesday November 22 1989 (Tokyo closed on 23/11/89)



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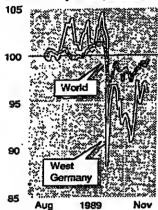
FINANCIAL TIMES
14 East 60th Street, New York, NY 10022 USA

Hard currency bourses show taste for financials

good day yesterday, with a pre-deliction for financials in both West Germany and Switzer-land, writes Our Markets Staff. FRANKFUET saw a strong rise in the bond market and strength in the D-Mark pull equities sharply higher, the DAX index closing 20.59 better at 1.534.68 after a 7.27 lift in the

FAZ, calculated at 648.76. Financials are a standard play in these circumstances, sald an analyst: Deutsche moved DM10.50 bigher at DM681, in talk of exceptionally good upcoming results; Dresdner was DM7.20 better at DM341 amid suspicion of sup-port, prior to its npcoming

FT-A World Indices Local currency terms (rebased)



rights issue; and Commerzbank was up DM4.50 to DM247.50, apparently going along for the ride.

Insurers were also in the limelight, with Allianz rising DM61 to DM2,130 and Munich Reinsurance DM85 to DM2,285. This has been a neglected sector, and there was some switching from recently over-worked stocks like the construction group, Holzmann, which fell DM34 to DM1,151. Turnover rose from DM3.3bn

to DM4bn, and within that Siemens continued to take pride of place in volume of DM561m. resistance level at DM599.50. The gold hug, meanwhile, moved along the industrial

The shares closed DM8.50 higher, just short of the DM600

pipeline to Degussa, a diversi-

NATIONAL AND

HARD currency markets had a fied chemical concern with considerable activity in gold refining, up DM17 to DM522. Continental rose DM8.10 to DM328. The refusal of permis-sion to hid for Kwik-Fit in the

Fl 2.90 to Fl 108.30 in anticipa-

tion of its figures next week.

MILAN finished higher in
moderate trading as the Comit

index rose 2.49 to 667.88. Fiat

put up another strong performance with a rise of L65 to L11,120, Cir closed L46 higher

at L5,201 and Olivetti rose L55

mixed, although a few individ-ual stocks attracted interest.

The cash market index was

down 2.62 at 6.578.57. Tessenderlo, the chemical

company, was suspended after Wednesday's 9 per cent surge on speculation that the reor-

ganisation of the French chem-ical industry might involve its majority shareholder, EMC of

France, purchasing the balance of its shares.

Banque Bruxelles Lambert gained BFr20 to BFr3,740 after it announced a slightly better-than-expected profits rise.

STOCKHOLM edged higher after two days of declines, with formetry charge realizes, with

forestry shares making a come-back. Trading was moderate

and the Affärsvärlden General

index gained 4.5 to 1,131.3.
The forestry sector saw

MoDo free B shares np SKr15

at SKr270 and Stora free Barising SKr3 to SKr278. The pre-

vious day's concern ahont

interest rates, however, was reflected in another fall hy

Sandvik, the engineering group, fell SKr5 to SKr275 before announcing a nine-

month profits rise after the close. Electrolux was one of

the most active stocks, with turnover of SKr25m. Its B shares gained SKr3 to SKr243,

in spite of the previous day's disappointing interim report.

ened by trading in Superfos, the agri-foods group and the most active stock. It added

DKr270, or 4.8 per cent, to DKr5,870 amid speculation that it plans to sell its non-food operations. The rest of the market was fairly quiet, with

the bourse index up 1.77 at a

HELSINKI fell again in mod-

record 358,99.

COPENHAGEN was enliv-

banking stocks.

BRUSSELS was quiet and

UK revived hopes that a bidder will come in for Conti itself. ZURICH lifted its banks on local huy recommendations. and its insurances, partly, on the view that the banks will hulld up stakes in them. CS Holding, which set up its own life insurance unit this week,

rose SFr35 to SFr2,605; SBC, which signed a business co-operation pact with Nippon Life, added SFr8 to SFr346. in insurances, Swiss Re certificates rose SFr75 to SFr2,190. Overall, the Credit Suisse index gained 5.1 to 610.8.

PARIS gained a little ground on the first day of the new monthly account, but without much enthusiasm. Most of the significant rises were in second-liners and volume was estimated to be only slightly above Wednesday's modest FFT2-6bn. The OMF 50 index rose 2.25 to 504.13, well below its day's high.

its day's high.

Poliet launched a takeover bid for Lambert, also a building materials company, and fell FFr10 to FFr570. Gaz et Eaux, which has a substantial stake in Lambert, jumped to a high of FFr1,739 before closing FFr32 higher at FFr1,677. Paribas, which owns 33.7 per cent

of Poliet, eased FFr2 to FFr595. Defence stock Matra, which forecast that its profits would rise more than 50 per cent this year, gained FFr18.40 to

AMSTERDAM was helped higher by further gains in insurance stocks and a jump in Ahold, the retailer. The CBS tendency index rose 1.7 to 180.4, hut volume remained

very low.
Ahold added F1 5.20 to Fl 129.90 on foreign hnying. Asko, the West Germany retailer cast out from Abold's pan-European alliance, denied it was increasing its 15 per cent stake in the Dutch group. Some dealers thought demand for Ahold's newly traded American Depositary Receipts in the US could be behind the huying

of the underlying shares. Amev rose Fl 1.60 to Fl 59.70 and NatNed Fl 1.40 to Fl 69.50 on the back of their strong

US individuals belie image of helpless victims

Janet Bush takes a look at the small players and finds that their habits have changed

HE INDIVIDUAL investor in the US is often portrayed as a helpless victim of large institutions, manipulative brokers and whip-sawing stock markets. The truth is very different.
The recurring argument

used by Congressmen opposed to computerised bulk trading strategies is that the volatility associated with them contin-

WALL STREET was closed yesterday for Thanksgiving Day. In its absence, the Toronto stock market had a very quiet day, with share very quiet day, with share prices easing by midsession.
The composite index fell 10.8 to 3,913.8, with golds most sharply lower, on volume of 10.8m shares. Falls led gains by 224 to 203.
CCL industries fell C\$1½ to C\$11. It said that it had sold Continental Can Canada

to Crown Cork and Seal for C\$330m plus C\$128m worth of Crown Cork shares. Continental Can had been a significant contributor to earnings at its parent company.

nes to drive terrified individual investors from the market. At a recent hearing at the House Telecommunications and Finance sub-committee on stock market reform, Representative Ron Wyden of Oregon repeatedly asked Mr Richard Breeden, new chairman of the Securities and Exchange Commission, what measures he was prepared to take to limit programme trading and protect the small investor.

ASIA PACIFIC

Mr Norwitz said that only the high-yield category of his company's funds had seen a Mr Breeden suggested, hy reply, that the individual investor was still in the market ing heavily in money funds but had tended, as the trend significant outflow, reflecting has shown for most of the

1980s, to invest through mutual funds rather than directly through stockbrokers. Mr Breeden's assertion is borne oot by the facts. There is no doubt that the stock market crash of October 19, 1987, has mous popularity of money mar-ket mutual funds, which invest in cash-like instruments such had far-reaching effects on the

other financial markets. Figures provided by the Investment Company Institute, the national association of the mutual fund industry, show that sales of stock, bond and income mutual funds totalled \$11.7bn in August, the highest level since the same month in 1987. In September, mutual fund sales dropped a little to \$9.95n, but this was still substantially higher than \$8.7bn in September 1988.

behaviour of individual inves-

tors, but they remain substan-tial participants in stocks and

The change wrought by the Crash of 1967 on individuals' investment strategies is not in the total amount they have invested, but in their tactics and the kind of investments

they have focused on. They have continued to invest heavily in stock funds, but have tended to favour conservative funds which offer above-average dividend yields and blue chip companies with proven earnings in a down-cy-cle, according to Mr Stephen Norwitz, vice president at T Rowe Price Associates, the

the sorry state of the junk bond market.

Another sign of the new conservatism among individual investors has been the enorwe knew that 12 months ago," said Mr Nathanson. "But investors don't consider it sitting on the sidelines. Being in money funds used to be part of a savings strategy, but they have taken on more of an investment culture."

A Gallup survey conducted in the three days after the mini crash, commissioned by Fidel-

'Investors, and the US generally, have gone from a live-for-today mentality to one in which they want to prepare for the future. Investors want peace of mind'

as Certificates of Deposits and short-term Treasury bills. Mr Ira Nathanson, senior vice president at Kemper Financial Services in Chicago, said that the Kemper Money Market Fund grew by 3.7 per cent between October 10 and November 14, from a total portfolio balance of \$20.83bn to \$21.60bn. The average growth for the industry over the same

period was 3.4 per cent.

That spurt in money market fund investment partly reflects increased nervousness about the stock market after the mini crash on October 13, but this kind of defensive investing has

been increasingly popular.
"We did not have to have the
event of October 13 to indicate
to us that people were invest-

ity Investments of Boston, supports the view that investors had been positioned conservatively for some time and were not fazed by the increased vol-atility around October 13. According to survey results taken on Monday, October 16, only 8 per cent said they planned to sell individual stocks over the next few weeks, while 15 per cent said they would huy individual stocks. The figures were identical for stock ways a funds.

cal for stock mutual funds.

A very high 83 per cent of those polled said that they were investing in the stock market for the long-term.

One of the most notable trade circus to 1007 Coreb. trends since the 1987 Crash -which helps explain the lack of panic after October 13 - is

that individual investors are far less speculative than they used to be and trade their portfolios much less actively. Mr Michael Hines, vice presi-

dent of marketing at Pidelity, notes that exchange activity, in which an investor moves his or her money from one type of fund to another, has dropped to about half the level seen in early 1987.

early 1987.

"Investors no longer want to play the market. This is serious money, not play money," commented Mr Hines. "investors, and the US in general, have gone from a live-for-today mentality to one in which they want to prepare for the future, investors want peace of mind."

He said investors are thinking in longer-term time horizons and are keener than everto diversify their portfolios to diversify their portfolios.
They are also saving more of their incomes, a trend that became apparent as far back as

The message from compa-nies that deal extensively with individual investors is that they are well-educated and widely informed. They are also deeply sceptical of swallowing buy and sell advice from bro-kers, who are suffering from their reluctance to trade their portfolios actively and there-

fore generate commissions.

Kemper's Mr Nathanson said: "We think that we are dealing with the most intelligent group of investors in history. In many cases, the public is way ahead in understanding the way this market works

Singapore holds upward course in mixed day for region

PICKINGS WERE mixed in the Pacific Basin yesterday, with Tokyo closed for Labour Thanksgiving Day, and Wednesday's stimuli weakened

considerably in their effect.
SINGAPORE scored its seventh consecutive rise, accelerating again as the Straits Times industrial index closed 18.38 higher at 1,378.05 — a gain of 44.80, or 3.4 per cent, since November 14. Volume was described as compara-

erate trading as short-term interest rates rose to record tively thin. Strong growth forecasts for levels. The Unitas all-sbare the Singapore economy, the index lost 10.8 points, or 1.8 per cent, to another year's low of launch of several new funds aimed at Asia or south-east Asia by big Japanese and West-

ern houses, and high liquidity levels among the republic's banks were seen as reasons for

the sustained upsurge.
KUALA LUMPUR had most of the corporate action at that end of the region, and rose in spite of disappointing results from Malaysia Airline System, where half-year profits rose only 1.6 per cent, and from Harrisons Malaysia Planta-tions, where interim earnings

fell after a higher tax charge. MAS fell 40 cents to 11.10 ringgit and HMPB lost 9 cents to 2.42 ringgit, but the KLSE composite index rose 3.62 to 494.49. Increased institutional demand and renewed interest in blue chips overlaid the spec-ulative interest which was at the root of yesterday's

AUSTRALIA balked at a risaustracia and the All Ordinaries index finished 5.8 lower at 1,631.9, after soms early gains on a further increase in the gold price. Turnover was 151m shares and

A3291m, sgainst 149m and A3301m on Wednesday. Bond Corp resumed trading when it confirmed that its delayed annual report had been despatched to sharehold-ers, holding steady at 31 cents. One associate, JN Taylor, was also reinstated, but Bell Group,

another associate, remained **NEW ZEALAND** recovered after a week of declines, the Barclays index rising 17.03 to

2,087.60.
TAIWAN turned np after seven sessions on the down grade, the weighted index gaining 99.16 to 10,094.44. Bargaining 99.16 to 10,094.44. Bargainhunters went particularly for
foods, cements and paper, following a 504-point slump during the past seven sessions.
HONG KONG drifted, with
the Hang Seng index 11.23
lower at its psychological support level of 2,800.79, Turnover
shrank further to HK\$77bm
from HK\$77bm on Wednesday

from HK\$770m on Wednesday.

The colony's consumer price index jumped 10.4 per cent in October, provoking a forecast that its inflation rate would stay at about 10 per cent for the next six months.

SOUTH AFRICA AN AFTERNOON rally by gold

shares in Johannesburg mostly offset early profit-tak-ing, leaving the JSE Gold index slightly lower. Anglo American, Sonth Africa's largest mining group, eased R1.75 to R108.75 before reporting better first-helf profits after the close.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood

national and Regional Markets		WEDNE	SDAY NOV	EMBER 22	1989		TUESDAY	LAR RIDEX				
Figures in parentheses show number of stocks per grouping	US Doller Index	Day's Change %	Pound Sterling Index	Local Currency Index	Cay's change % local currency	Gross Otv. Yleid	US Collar Index	Pound Starting Index	Local Currency Index	1989 High	1989 Low	Year ago (approx
Australia (85)	146.15	+0.2	138.46	125.18	+0.4	5.38	145.83	138.02	124.69	160.41	128.28	147.3
Austria (19)	144.46	- 0.1	136.86	138.17	- 0.5	1.79	144.66	135.81	136.83	172.22	92.84	100.0
Beiglum (63)	145.90	8.0 +	136.22	137.27	+ 0.5	4.03	144.80	137.04	138.59	145.90	125.58	134.4
Caneda (122)	148.29	-0.2	140.48	125.63	~0.2	S.23	148.58	140.62	125.88	154.17	124.67	119.0
Denmark (36)	228.07	-0.2	216.06	218.81	-0.4	1.45	228.43	218.19	218.42	228.43	165.35	153.9
Finland (26)	116.67	-0.5	112.42	105.70	-0.7	2.87	119.29	112.93	106.47	159.16	118.67	130.B
France (127)	134.95	8.0 +	127.84	130.61	+ 0.4	2.84	133.77	120.81	130.05	139.94	112.57	111.4
West Germany (96)	99.77	+0.6	94.52	93.88	+0.0	2.22	99.22	93.81	93.86	103.84	79.58	88.2
Hong Kong (48)	119.02	-0.2	112.76	118.40	-0.2	4.77	119.29	112.90	119.66	140.33	86.41	108.2
reland (17)	160.59	+0.0	152.18	155.62	-0.2	2.85	160.63	152.03	155.93	166.69	125.00	133.2
taly (97)	90.92	8.0+	86.14	90.58	+0.1	2.52	90.38	85.54	90.47	86.73	74.97	86.3
Japan (455)	185.29	+0.7	178.38	170.98	+ 0.7	0.47	186.90	176.89	188.82	200.11	164.22	190.5
Malaysia (36)	198.98	+0.8	188.50	207.41	+0.8	2.56	187.73	167.14	208.22	209.22	143.35	141.4
Mexico (18)	288.18	+0.8	272.95	833.23	+ 0.8	0.62	285.43	270.14	825.43	326.81	153.32	173.6
Netherland (43)	127.59	+1.3	120.87	118.89	+ 0.8	4.47	125.95	119.21	117.99	131.72	110.63	110.0
New Zealand (18)	74.41	-1.2	70.49	67.62	-0.8	5.28	75.33	71.30	68.02	88.18	62.64	71.5
Norway (24)	170.08	-0.2	181.13	158.77	-0.3	1.67	170.44	181.31	159.22	198.39	136.92	125.2
Singapore (26)	160.79	+ 1.1	152.32	145.23	+ 1,1	2.06	159.11	150.59	143.84	170.62	124.57	120.2
South Africa (60)	170.16	+ 1.2	161.18	149.37	+ 1.4	3.79	165.21	159.20	147.37	170.15	115.35	118.1
Spain (43)	155.48	+0.9	147.29	136.81	+0.4	3.62	154.07	145.82	135.27	169.75	143.14	153.1
Sweden (35)	181.01	-22	152.54	153.33	-2.0	2.23	164,58	155.77	156.48	188.94	138.45	137.4
Switzerland (64)	87.53	+ 1.0	82.92	87.39	+0.8	2.18	86.62	81.98	86.88	94.18	67.81	78.4
United Kingdom (305)	140.18	+0.2	132.81	132.81	+0.3	4.63	139.89	132.39	132.39	158.41	133.28	141.5
USA (546)	138.83	+ 0.7	131.52	138.83	+0.7	3.35	137.93	130.54	137.93	148.29	112.13	109.7
Europe (995)	124.97	+ 0.5	118.39	118.27	+0.3	3.55	124.35	117.69	117.96	132.95	112.63	118.5
Nordic (121)	165,42	-1.1	156.71	151.37	-1.1	1.88	167.18	158.24	153.06	178.38	137.95	131.2
Pacific Basin (668)	183.93	+0.7	174.24	167.06	+0.7	0.72	182.83	172.85	165.96	194.72	150.44	185.4
Euro ~ Pacific (1663)	160.42	+0.6	151.97	147.55	+0.5	1.62	159.40	150.85	146.78	168.98	141.58	157.8
North America (688)	139.30	+0.8	131.98	138.00	+0.8	3.34	138.46	181.05	137.18	146.66	112.79	110.1
Europe Ex. UK (690)	114.57	+0.7	108.53	109.29	+0.2	2.83	113.79	107.70	109.04	118.51	96.30	100.8
Pacific Ex. Japan (213)	131.54	+0.1	124.62	118.43	+0.2	4.84	151.44	124.40	118.18	140.05	111.93	124.8
World Ex. US (1858)	160.17	+ 0.8	151.74	147.08	+0.5	1.69	159.18	150.66	148.31	166.35	141.49	156.1
World Ex. UK (2096)	152.63	+0.7	144.59	145.38	+0.8	2.00	151.61	143.49	144.54	156.04	136.98	138.0
World Ex. So. Af. (2344)	151.38	+0.8	143.41	144.18	+0.6	2.21	150.44	142.38	143.36	155.92	138.67	138.47
World Ex. Japan (1949)	134.04	+ 0.5	126.98	130.42	+ 0.5	3.48	133.31	126.17	129.81	140.43	114.51	113.22
The World Index (2404)	151.50	+0.8	143.52	144.18	+0.8	2.22	150.54	142.48	143.38	155,89	136.68	138.3



EAST-WEST TRADE

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FINANCIAL TIMES

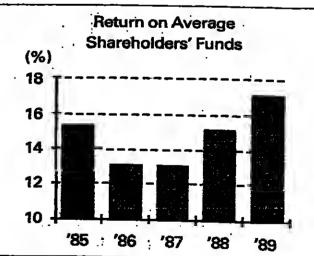
Continuing improvements in productivity, consolidation in core markets, and improving returns from our international network have enabled us to put our LDC exposure. behind us.

We look to the 1990's with confidence. 77

> WJ Bailey AO Deputy Chairman and **Group Chief Executive**

Results to 30 September 1989

				
(A\$ Millions)	:	1989	1988	Percentage change
Gross Profit		\$1122.6	\$962.2	16.7
Net Profit Before Abnormals		\$721.7	\$505.4	42.8
Net Profit After Abnormals		\$518.0	\$505.4	2.5
Earnings Per Share		85.1c	71.0c	19.9
Dividends Per Share		44.0c	34.5c*	27.5



Highlights

- LDC debt provided for down to value in secondary market,
- Largest banking group in New Zealand, following acquisition of PostBank.
- Unmatched international network in 48 countries.
- Cost ratios continue to fall.

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SECTION III

FINANCIAL TIMES

Ar

Electronic links between companies are already extensive, but within the next decade

these links will be commonplace as a new information infrastructure develops and more businesses use computers to seek competitive advantage, says Alan Cane

Strategies for the 1990s

THE FACT that the worldwide computer business is in the throes of nnprecedented change is universally acknowledged; what is not so obvious is that the way computers are being used in business is changing just as fundamen-

The cause is the emergence of low-cost microelectronics which makes it possible for the first time to apply computing power to distribution, retailing, marketing and other "front office" areas.

The consequences are proving to be dramatic; the power of the data-processing manager, traditionally king of a company's data-processing empire, is being usurped by a new kind of corporate animal – the information technology

(IT) director. Examples in the UK include Mr Ian Glenday, head of com-munication and computer ser-vices at Esso UK; Mr Gene Lockhart, board director with responsibility for business operations at Midland Bank; and Mr Colin Palmer, deputy managing director of Thomson Tour Operations, More than 60 per cent of larger UK compa nies now have or intend to appoint an IT director, compared with only 18 per cent five years ago.

In the US, where the distinction between line management and data-processing management is less distinct than in the UK, a more common title is chief information officer (CIO). chief information officer (CIO). The post is now firmly established there. There is, for example, already a glossy magazine, "The CIO," catering for their interests. Whatever their title, the IT director has a status and responsibility which far exceeds that of the traditional data processing manager. Ha or she may be a full heard member as in the case board member, as in the case of Mr Lockhart, but one who more commonly reports to the

for both data-processing and telecommunications and may take a leading role in creating board-level awareness of developments in and the potential of IT. They will certainly be "hybrid" managers — that is, senior executives who combine a profound knowledge of the business in which their company is involved, plus a broad appreciation of the significance and potential of IT.

chairman or the finance direc-

Their most critical role, however, is to find ways of integ-rating their company's corpo-rate objectives with its business strategy. Surveys car-







USING COMPUTERS IN BUSINESS AND INDUSTRY

ried out in Europe and the US have shown decisively that this is a major problem for the majority of companies and cer-tainly the major problem for

data-processing executives.
Over the past decade, the
London-based consultancy,
Price Waterhouse, bas been
carrying out on a quarrerly basis a survey of trends in the data-processing business, not only in the UK but in the US. France, Japan and Australasia. Ten years ago, data-processing managers were chiefly concerned about recruiting, training and retaining adequate numbers of data processing

Then, in the early part of tha

1980s, that concern faded to some extent as managers realised it was unlikely they would ever be able to recruit staff in the right numbers. The problem of recruitment is just as severe today and has led to a new trend - the emergence of software contractors, computer programmers who find they can earn perhaps double their employed salary by going freel-ance. Through the use of con-tractors, and taking packaged software into account, many companies may now be sourc-ing over two-thirds of their software requirements out of

Concern over recruitment concern over recruitment was replaced by concern over meeting project deadlines. Computer projects are notorious for costing more than planned and being completed months, somatimes, years behind deadline.

Software systems

At the same time, the need to keep a sizeable number of a company's systems staff on the job of maintaining (modifying and extending) existing soft-ware, meant that fewer programmers were available to develop new systems. As a result, most data centres have a backlog of systems-develop-ment stretching back two.

years, in some instances. Data-processing managers were preoccupied with anxieties over reducing the backlog and meeting project deadlines throughout the 1980s. The industry responded with a number of initiatives designed to make the production of soft-ware easier. Fourth generation languages, for example, like Unisys' Linc and Mapper which could accept instructions in something akin to natural language and antomati-cally generate computer code,

Texas Instruments' Software Factory – designed to turn software development from an

art to a science.

Over the past two years, however, the problem of integrating corporate objectives with data processing strategy has taken top place in Price Waterhouse's list of worries.

Why should this integration seem so difficult? The answer lies in part in a particularly

lies in part in a particularly intractable problem - the intangible nature of the benefits of using information technology (IT). There is no question of the general acceptance that IT should be a key element in a company's strategy for competitive advantage. Some commentators argue, indeed, that companies which are not fully aware of the potential benefits of IT are already well down the road to receivership.

Yet proving this point beyond doubt can be difficult. There are a few case studies of companies which managed to seize competitive advantage using IT. The best-known in the DS are probably American Hospital Supplies and American Airlines; in the UK, Thom-son Tour Operations. All three-were pioneers in building elecor computer-aided systems tronic links to their customers engineering (case) tools, like which shut out the opposition.

there are no simple and infalli-ble rules for the effective use of IT. A number of companies which have tried, for example, to copy American Hospital Supplies' strategy have come sadly and expensively adrift.

In one of the best-known strategic analyses, Dr Paul Strassman, formerly of Xerox Corporation, has shown there is no simple link between investment in IT and a company's return to its sharehold-ers. For the most part, IT ini-tiatives are still acts of faith. Many companies do not ever try to quantify the results.

Tying business and IT strat-egy together is also difficult because of the fact that there is a deep gulf, certainly in the UK at any rate, between data-processing professionals and busi-ness-line managers. There are good historical reasons for this. The cost and complexity of data processing has until recently kept it separate from the rest of an organisation's activities, a company within a company with its own language, regulations and career structure. Surveys over the years have shown that senior executives distrust their data processing departments believing that computer staff are chiefly interested in spending

money to chase technological dreams with no concern for the corporate objectives of the rest of the organisation.

Data processing profession-als on the other hand are irritated by senior management's refusal to spend money freely on the kind of tools which would make systems develop-ment easier; they are iofuriated by business managers refusal to come to terms with the the realities of data-processing. Attempts are being made to bridge this uncomfortable management gulf. The US and UK chapters of the Society for Information Management are seeking to bring line managers and senior data-processing professionals together in a joint approach to corporate

strategy.
In the UK, the "Impact" programme established by the National Computing Centre under the directorship of Mr Lawrie Lawrence, formerly director of management ser-vices at Midland Bank is examining the nature of the gulf between IT and business pro-fessionals and attempting to establish a set of rules of best practice for IT. The British Computer Society has established a task force under Mr Palmer of Thomson to examine

PICTURED above, teft the production of Bedford vanc at IBC Vehicles, Luton, is controlled by manufacturing software from insight Database Systems, running on AS/40C minicomputers. The system has helped to make substantial cuts in lead times in introducing new models at IBC, a Ganeral Molors-isuzu joint venture.

☐ Centre: a travelling business-man using the new Compact laptop computer which weighs only 5th, oflering full PC tunc-tionality. This LTE laptop sys-tem ranges in price from £1,455 to £3,250, depending on configu-

☐ Right, a financial executive working with an IBW PS/2 per-sonal computer, using an IBM 8513 display, running on Project

M ON OTHER PAGES ☐ Developments in supercomputers, maintrames, minicomputers, personal computers, portable models, pages 2-4.

☐ Technological leveraga: lourth ganaration languages and softwara devalopment,

☐ Office automation; document Image processing; communica-tions, pages 6-8.

Industrial applications: computer-aided systems engineering; manufacturing controls, page 9.

☐ Facilities management; skill shortages; debate on computer standards, pages 10-11.

Editorial production: Michael Wiltshire.

THE NEW COMPAQ SYSTEMPRO. STARTS AT THE TOP AND BUILDS UP FROM THERE.

More More. More That's whal people are wanting from PC

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Computing potential can be increased up to fore times by adding a second system processor You can use two 385 processors now, or work with a 396 and a 486, or two 486

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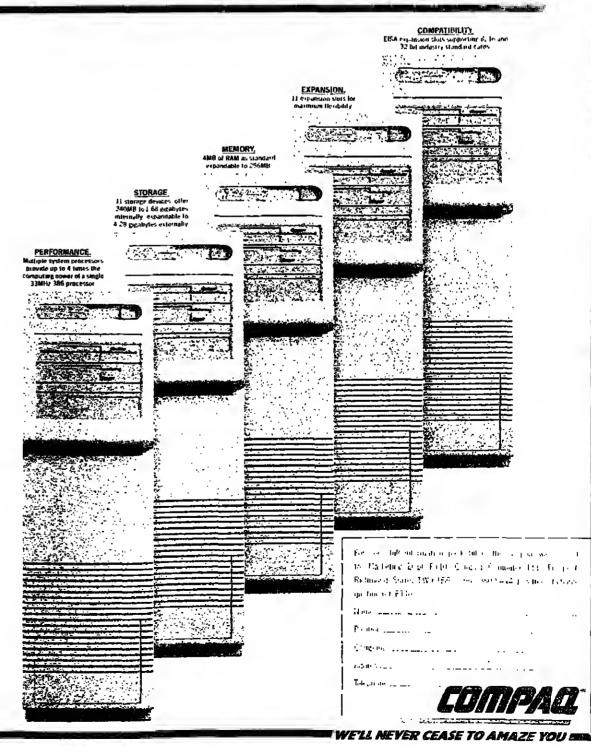
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Strategies

Continued from Page 1

ways of encouraging the development of hybrid managers.

These new hybrid managers/ FT directors/chief information officers are already having a direct effect on the computer industry. A whole swathe of computer manufacturers is hitting financial problems just now, partly because new technology is playing havoc with the economics of their business but also because IT directors are taking a more cautious approach to IT investment.

What do they want? According to a recent survey by the Unisys Users' Association, what will be wanted are secure systems "that, first and fore-most, are flexible, maintain-able and therefore readily adjustable to meet changing

Elactronic links between companies are already extensive and by the middle of the 1990s will be commouplace. They will form a new business information infrastructure, just as the postal system and the telephone system is tha basic business informatiou structure today. It will be the companies which can evolve IT strategies that take advantage of that infrastructure while giving them a unique competi-tive edge that will weather the storm best. The articles in this survey provide pointers to the technologies and strategies that will characterise the win-

COMPUTER USERS' appetite for more and yet more processing power is seemingly insatia-ble. The financial sector, for example, would like to see its computing resource grow by between 40 per cent and 80 per cent every year.

Even so, supercomputers — machines designed to operate as fast as the available technology will allow — have so far found only limited application in the mainstream of business. Oil exploration companies use them for the complex cal-culations required in surveying and estimation of oil reserves;

otherwise they are used almost exclusively for scientific and technical research, meteorology and astronomy. One reasou is cost. Supercomputers are the most specialised of all data processing machines and their price reflects the single-minded devotion to speed that goes into their design. The top prices are around \$20m and even the oil companies cannot be expected to pay much more than that for their computer

alogue of ways in which access to supercomputer power could help ordinary businesses. One of the most important is visual-isation, the ability to create images on screen which can be manipulated in a realistic man-

For aerospace and motor manufacturers this is already a commonplace activity. Automobile manufacturers have found it cheaper and more useful to "crash" electronic images of their products on screen than to write off the THE SUPERCOMPUTER SECTOR

Entering a traumatic period

real things (it takes, apparently 10 hours processing time on a large supercomputer to model the first 0.1 second of a crash). On-screen visualisation of this kind, however, is still a rarity among shoe manufactur-ers or dress designers.

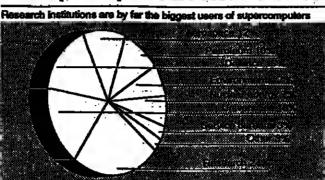
Two new trends, however, are influencing the shape of the supercomputing industry and changing both the competitive pattern and the cost

First, the emergence of Jana nese computer companies as a force to be reckoned with in supercomputers. Second, the advent of mini-supercomputers, high performance machines designed for both scientific purposes and for business automation with much of the power of full blown superiters at a fraction of the

Until this year, there were only five companies building traditional supercomputers the US companies, Cray Research, with a two-thirds share of the 350 or so machines installed worldwide, and Control Data and the Japanese companies NEC, Hitachi and

Cray Research had seemed to have an unassailable lead both in sales and technology. In April, however, NEC unveiled a new machine which The US still has the world lead in supercomputers, but it will take the Japanese only five years to catch up, as Alan Cane explains.

How supercomputers are used worldwide



sure of scepticism by super-computer experts who pointed out that peak performance fig-ures can be an unreliable guide

to system performance.
But what made them sit up was the fact that NEC had, for the first, time adopted Cray's

technique of tying a number of

the case of the SX-3 - to boost

med for the first time to offer a challenge to US super-computer supremacy. Its SX-3 supercomputer, priced at \$24.2m, is said to run at 22hn operations a second, more than five times faster (on paper, at any rate) than the fastest Cray,

the YMP-8. To be fair, the Japanese claims were met with a mea-

lead in supercomputers but are forecasting that it will take the Japanese only five years to catch up — and that by the turn of the century, Japan will be the dominant supercomputer manufacturer.

In the middle of the year Cray and Hitachi signed a licensing deal that allows the two

performance. The experts believe that the US still has the

companies to pursue their sep-arate supercomputing strate-gles without fear of infringing

each others' rights.
Tha US supercomputer industry is, however, going through a traumatic period. In April, Control Data dropped out of the business altogether after it became clear that its precarious financial state could not support the \$100m or so required annually in research and development expenditure simply to keep in the race.
It signed a joint marketing agreement with Cray giving its

customer's access to Cray's supercomputers while Cray's customers had reciprocal access to Control Data's com-mercial mainframes and work-

A few months later, Cray spin off its leading edge tech-uology into an independent operation run by Seymour

Cray himself.
The new company, Cray

Computer Corporation, is working an a machine called the Cray-3 based on circuitry using a semiconductor mate-rial called gallium arsenide which offers processing speeds several times faster than silicon and immersion cooling technology. It is, everybody agrees, a risky project but one which could determine the future development of the

Most of the design work on the Cray-3 has been carried out, according to the company. and a two-processor prototype is planned for mid-1990 with a 16 processor prototype to fol-low in mid-1991. Meanwhile, Cray Research is developing the Cray C-90 along more orthodox lines using silicon technology and conventional cooling technology.

For the majority of compa-nies, however, the best chance of access to supercomputer power lies in the raft of mini-supercomputer companies which have spring up in the past few years. The pioneer in this area was FPS Computing of Beaverton, Oregon, which originally developed "bolt-on" mathematics units to give conventional mainframes supercomputer-like performance.

Its latest machine, launched earlier this month, costs between \$204,000 and \$2.5m and uses the Unix operating system. These days it has plenty of competition from companies like Sequent, also of Beaverton, Thinking Machines of Cambridge, Massachusetts and Convex Computer Corpo-

The new supercomputer from NEC of Japan is said to run at an astonishing 22bn operations a second, This model, the

SX-3, is priced at

\$24.2m

ration of Richardson, Texas. These young companies have basically used the latest micr electronic technology to build systems which offer substantial computing power at an affordable price - typically between \$300,000 and \$1m. The technique is to connect a number of microprocessors in par-allel – in an extreme example, Thinking Machine's Connec-tion Machine has 64,000 proces-sors connected together.

Recently it sold two of these machines to Dow Jones for an electronic information-retrieval service which allows unskilled customers to browse through a library of information culled from newspapers and maga-zines. An FPS Computing sys-tem to be installed at St Andrew's University, intended for cancer research, will deliver 35 per cent of the power of a Cray X-MP for just over £300,000. The dawn of super-computing for everybody seems at hand.

Traditional roles are being usurped, says Louise Kehoe

Minicomputer makers face a dilemma

AS SOME will remember, the AS SOME will remember, the schoolyard game of "nig in the middle" was great fun — unless you happened to be stuck in the middle. In today's computer industry that is the plight of traditional minicomputer makers. Caught between the high-growth microcomputer segment and the minipolarite ter segment and the mainframe stronghold, they are left grasp-ing for balls that fly over their

The price and performance advantages that boosted mini-computer sales in the 1970s have been overwhelmed by less expensive microcomputer-

based systems in the 1980s. Powerful personal computers and computer workstations, linked by networks, are increasingly usurping the tra-ditional role of the minicomputer in business computer systems. Scientific workstat-ions provide individual researchers with the power of a minicomputer on the desk-

top.
In the latest demonstration of this technology trend, Compaq Computer, the personal computer manufacturer, launched a direct attack on the minicomputer market with its first multiprocessor system, a \$16,000 to \$25,000 system that outperforms minicomputers costing \$75,000 to \$200,000.

costing \$75,000 to \$200,000.

Compaq's Systempro is aix times faster than Digital Equipment's VAK 6300, but costs \$135,000 less, claimed Rod Canion, Compaq president.

Matched against IBM's AS/400, the Compaq computer performed typical file operations in a network-server environment, nine times faster, while

in a network-server environ-ment, nine times faster, while it outpaced Hewlett- Packard's HP 9000 by a factor of three. In the face of such chal-lenges, minicomputer makers must find a new role for their products in the 1990s, say industry smallysk. Already segindustry analysts. Already several of the largest minicomputer makers have taken steps to re-align their businesses, in some cases making major cut-backs.

Signs of stress are clear

throughout the minicomputer industry. Data General, which

is estimated to hold a six percent share of the US minicom-puter market, haid off hundreds of workers last year and closed plants. The company reported losses of \$119.7m for the Becal

year ending in September. Wang Laboratories is also facing an earnings and revenue decline as it attempts to revenue its product line. The company recently reported first quarter losses of \$82m and is expected to cut thousands from its stready reduced work-force before the end of the

Prime Computer emerged from a bitter takeover battle in August when a New York investment firm acquired 79 percent of the company's stock. Acknowledging that uncertainties surrounding the takeover bid had affected its business, Prime recently reported losses of \$129m for the first nine months of its fiscal

over the next five years the mid-range computer sector is projected to grow more slowly than any other. According to analysts at Montgomery Securities, a San Francisco based investment bank, The midrange sector will grow at about 7.5 percent near years while 7.5 percent per year while mainframe sales grow at 8.6 percent and the desktop computer market maintains annual growth of 14.7 percent.

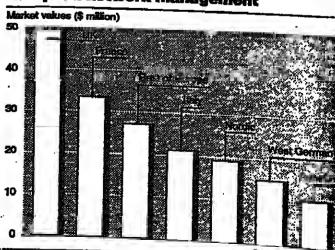
The efforts of some of the largest minicomputer manufac-turers, such as Digital Equip-ment, Hewlett-Packard and NCR to expand their busi-nesses beyond the minicompu-ters sector clearly indicate that

nesses beyond the minicomputer sector clearly indicate that these companies see more opportunities in other parts of the computer market.

Digital Equipment, the minicomputar market leader, recently launched a new family of products aimed at the mainframe market. Digital Equipment's new VAX 9000 is the most powerful computer the company has ever offered, with performance comparable to that of IBM's widely used 3090 mainframe computers. mainframe computers.

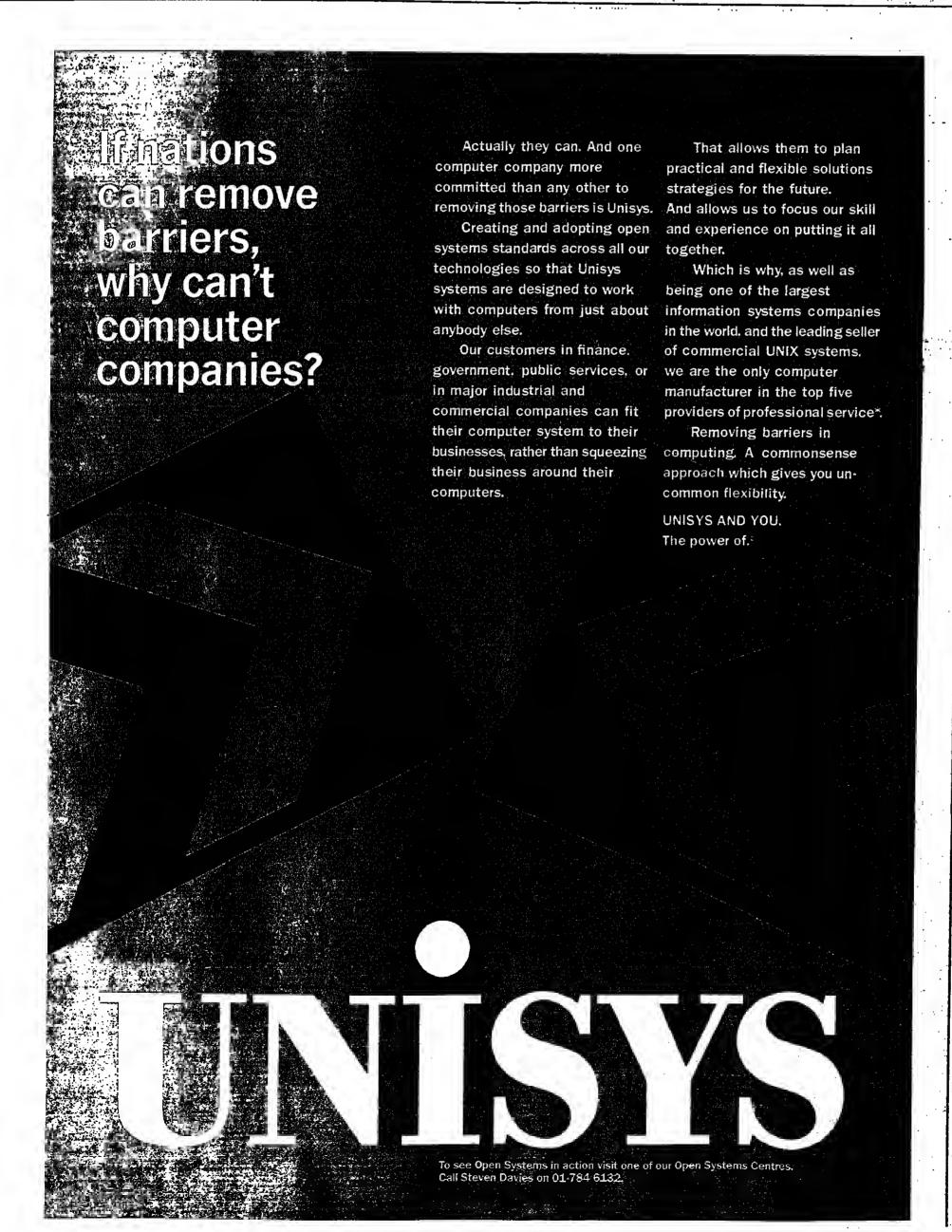
With the launch of the 9000,

Continued on page 3 European network management



Heavy data traffic on the communications systems of Europe could give rise to a \$623m market for network nanagement systems (NMS) by 1992, according to a new study by market analysis, Frost and Sullivan. The use of shared information as a corporate resource and the

nd control multivendor, incompatible systems in a fast-moving market, says the report which costs \$3,400. The European NMS market last year was worth \$175m, with the UK the largest sin market, (\$49m). More details from Frost and Sullivan, London, telephone 01-730-3438; fax 01-730-3343



MAINFRAME SYSTEMS

AN INDICATION of the problems which supercompu-ters alone can solve these days comes from the Cray Gigaflop performance awards, given each year to computer scien-tists using supercomputers running at over one billion floating point operations a sec-ond (gigaflors), a measure of ond (gignflops), a measure of computational speed.

This year there were 24 awards given in areas as diverse as aerospace, finance, medicine, petroleum research and weather forecasting.

One group including physicists from the US, Switzerland, the UK and West Germany

won an award for work on the modelling of the dough-nut shaped cloud of hot gases which lies at the centre of a nuclear fusion reactor.

The stability of this cloud is essential to successful nuclear fusion. The physicists used software called Terpsichore to model the cloud. It required 34m arithmetic operations on a Cray Y-MP and took 20 seconds. The machine reached a onds. The machine reached a sustained speed on 1.78 gigaf-

A more down-to-earth exam-ple come from the financial sector where two US research ers developed an analytical fixed income model to price corporate bonds.

The model was developed at The First Boston Corporation in New York to process options on bonds – the com-puter calculates the value of an option at thousands of interest rates and points in time as it works backwards from the expiration date to the

The model calculates the value of the payoff, the difference between the market value and the strike price on the exercise date. It takes a Cray Y-MP running at 1.34 gigadions to tackle the calculation.

The European Centre for

19

Medium Bange Weather Fore-casts at Beading in the UK uses a Cray Y-MP to create models depicting the weather up to ten days ahead. The first model was run on the Cray 1 supercomputer in 1983 and it has been upgraded continually ever since as the computer power became available. The machine runs the model at

more rather than less demand for central processing power, mainly in the area of managing large databases and network operations, as Mr Tom Hinch-liffe, mainframe systems director of ICL, puts it.

Whether the same effect will continue during the 1990s is a subject of intense debate among computer industry the orists. The buzz phrase for the next decade is "client-server computing." This means that individual users (the clients) will have small front-end processing needs and user interface. These will be con-nected to back-end machines (the servers) with much more powerful processors and mem-

One point about the clientserver architecture is that it does not have a hierarchical network; clients and servers share the networking functions and communicate as equals. This is unlike the traditional me controlling a network of subordinate terminals

trial processing.

FOR AT least five years some

At the same time sales of mainframes have continued to increase - not as fast as other sectors of the market such as personal computers, workstat-ions and supercomputers – but at least there has been slow growth rather than con-

So far, "the growth of intelli-gence on the desk has created-

industry commentators have been predicting the demise of the large central maintains in favour of "distributed systems" of smaller computers working together.

> and microcomputers.
>
> Another point — which is even more threatening to the idea of the mainframe as a powerful general-purpose com-puter — is that the servers are expected to become increas-ingly specialised. Some would be designed to hold and manbe designed to hold and man-age a huge database, some to carry out on-line transaction processing as efficiently as pos-sible, some for extremely pow-erful graphics modelling, and

> The pure vision of clientserver computing leaves no room for mainfrances as we know them today, but even true believers concede that this will not come to pass for many years. And even if it does, there will be a long transitional period during which computers similar to today's mainframes will act as servers for many general commercial

Publicity about "the death of the mainframe" has not deterred two companies which made their fortunes out of minicomputers — Digital Equipment Corporation (DEC) and Tandem — from moving into this sector. Last mouth th companies announced their first meinframe products. DEC says its new VAX 9000

"marks the changing definition of a mainframe by adapting it

Despite predictions of "the death of the mainframe," sales of these large scale systems continue to increase, says Clive Cookson

to the distributed style of com-puting for the 1990s. And it claims that the 9000 range, which runs in price from £850,000 to £3m, outperforms mainframes in the IBM 3090 series costing several million

pounds.
Tandem's Cyclone computers, designed for "large users requiring high performance on-line processing of massive database applications." run from £1.9m to £9.5m. Each Cyclone has from four to 16 processors working in parallel and the system's main memory can be as large as 2 gigabytes (in other words it can hold 2bm characters of information). characters of information).

An attractive feature of both

DEC and Tandem mainframes is that they are cooled by air. IBM, in contrast, relies ou water cooling in its most pow-erful computers. The newcomers say that not having to include elaborate plumbing makes their hardware more reliable and less expensive to install and service.

The other mainframe manufacturers have, of course, been claiming for decades that their computers are cheaper and more reliable than the compa-rable IBM products - and IBM continues to dominate the mar-

According to the Interna-tional Data Corporation (IDC), 57 per cent by value of the large computers sold in Western Europe in 1988 were made by IBM. (IDC does not use "mainframe" as a market cate-gory because of the problems of defining the term accu-rately; instead it uses "large-scale system", defined as one costing more than \$Im).

In the IIS, where European

In the US, where European companies such as Siemens, Bull, ICL and Olivetti have little or no presence, IBM's posi-tion is even stronger with about 70 per cent of the main-

Although some experts have predicted that the entry of DEC and Tandem will revive

PCs and workstations imitate each other, says Della Bradshaw

'A crisis of identity' WHEN is a personal computer not a personal computer? When it is a workstation — or so many PC manufacturers

would have us believe.
Sorting out the PC from the a million pixels (picture elements) on the screen. But now, with the falling workstation can be a gruelling and confusing task. But many companies are finding that be price of computer hardware, workstations from traditional they workstations or PCs, manufacturers, such as Digital these deak-top machines, linked together, can replace Equipment, Sun, Hewlett-Pack-ard (HP), Apollo (now part of HP) and integraph, are proving the mid-range computer sys-tem for routine office or indusless and less expensive to buy, and are rivalling the top-end office PC in price.

The identity crisis in these At the other end of the scale, PCs are becoming more and more powerful and aping their cousins, the workstations.

For example, IBM's latest PC, the sophisticated PS/2, displays three of the features that two types of machine has arisen because each is trying to imitate the other. The workstation used to be the domain of the scientific or industrial design-user. It was expensive and it was powerful, characterthe model at jeed by the 'three Ms' - one negabyte of memory, one Mips (million of instructions per second) of performance speed and purists say characterise the workstation: it is networked; it has a multi-tasking operating system - several tasks can be

performed on the screen simul-taneously; and it has high quality graphics.

Confusion aside, the net-worked PC or workstation is

proving an economical alternative to many traditional mini-computer systems. But when do you opt for the mid-range machines, and when so you go instead for a clutch of PCs or

According to Roger Dowling, manager of office systems marketing at UK computer manu facturer ICL, three factors should be taken into account: How many people need to get access to the data?
How frequently do they

need access to this data?

• And how much is the company prepared to spend? (Netcan work out noticeably cheaper than attaching PCs to a mid-range host machine.)
As a rule of thumb, if the

company relies on its employ-ees to work on an individual basis — with each salesman, secretary or designer produc-ing personal files to which only he or she needs access - then networked PCs or workstations are likely to be the most effec-tive solution.

Each employee will be able to get rapid access to his or her own files - one of the problems with terminals attached to central computer systems is that the access times can build up, and produce unacceptable delays.

Continued on page 6

Definitions are changing peripherals market revenue

> does not agree. "We are not bullish about the market for large-scale systems, he says. We do not think that DEC and Tandem will prevent the number of systems sold declining. IDC forecasts a decline in Western Europe's installed base of large computer systems from 8,018 in 1988 to 7,885 in 1990, followed by an increase to 8,550 in 1994. What then are the benefits of mainframe computing that notworks of smaller systems can-

tor, Mr Martin Hingley of IDC

not provide? *High availability, system reliability, disaster tolerance and service security" are the

answers, according to Mr Hinchliffe of ICL.

His company's Series 39 mainframes, originally introduced in 1985 and featuring chip technology from Fujitsu of Japan, are designed so than two or more "nodes" (separate processors linked by fibre optic communications) can be installed in different buildings up to 500 metres apart. Under

normal circumstances the nodes work together as a single computer but if one fails either through an internal malfunction or because of an external disaster such as fire

86 87

mainframe suppliers and users is developing software to run specific applications. There really is a "software crisis" meaning that large systems tend to be delivered late and over-budget and, when they do eventually start running, a lot of expensive programmers still have to be employed to keep

6.3% 6.9% 7.2% 7.5% 7.7% 8.1% 8.1%

90 91 92

them going.

Most systems in use at the or flood - the other(s) will take up its complete workload as if nothing had happened.

Worldwide mainframe computer sales

A major problem faced by all

larger mainframe sites are developed in-house because available software packages do not provide sufficient competitive edge or differentiation. To help this process, the hardware suppliers and independent software companies provide "soft-ware tools" with which users can develop their systems as

efficiently as possible.
Optimists believe that these tools will enable the industry gradually to overcome the software crisis during the 1990s. If so, they will help to keep mainframe computers alive into the next century.

Midrange

Continued from page 2

Digital is challenging IBM on "Big Blue'a" home turf; the market for powerful main-frame computers. By extending its computer product line into the mainframe class, however, Digital may be able to prevent its minicomputer users from defecting to IBM for more pow-erful computers and their

needs expand.

Working to expand its sales in the opposite direction, NCR. has launched an aggressive bid to become a larger player in

This month the company introduced a high powered per-sonal computer based upon the Intel 486 microprocessor and became the first major US computer manufacturer to endorse IBM's "Microchannel" architec-

NCR also reached an agree-ment to sell its personal com-puters through the Busines-sland chain of dealerships, positioning itself as an "alternative" supplier of IBM-compatible personal computers. Another approach adopted by some minicomputer compa-nies is to specialise. Prime

microprocessor chips, it represents the first of a new generation of computers, the company claims.

Hewlett-Packard has taken a

radically different approach by revamping its entire computer product line with a new Reduced Instruction Set Computer (RISC) architecture. Industry analysts expect the company to increase its mini-computer sales by 20 percent this year, far outstripping market growth.
Also gaining market share is

IBM with its AS/400 range of Computer has focused its attention on the computer aided design market, while Wang hopes to revive its for-tunes by specialising in image processing. Known primarily as a pioneer in the develop-ment of word processors and office automation systems Wang is aiming to take a lead in what many believe will become a fast-growing segment

of the industry. Unisys is using new technology to revive its mid-range products. Earlier this year the company introduced a product that it calls a "desktop main-frame," a machine that offers mainframe-like performance at prices beginning at \$20,000. Built around proprietary

minicomputers introduced last year. With the introduction of this range, IBM sorted out a muddle of incompatible midrange products and signifi-cantly boosted its sales. IBM's more difficult for other minicomputer makers.

Another trend that is expected to have a major impact upon the minicomputer market is the move toward *open systems*, based upon the UNIX operating system. This new style of computing replaces proprietary hardware and software with standard

chips and programs.

The value of the proprietary technologies upon which mini-computer companies have traditionally based their businesses s undermined by the open system concept. Minicomputer makers are being forced to radically overhaul their product lines. Most are already offering some form of UNIX compatibility, although own proprietary operating systems. Companies at the forefront of the trend believe however that ultimately open systems will create increa demand and spur market growth, to the benefit of the



We've just bought our competitor. But what we really bought was priceless customer and market information. That it was all locked up inside computers over 2,000 miles away didn't lose me a minute's sleep.

It reminded me how good a decision installing VINES networking software from Banyan was -

The company I took over this morning doesn't use our computing system...

> Lockington, our IS manager, really did his homework when be found VINES.

> We didn't know what he was on about when he described 'StreetTalk,' Banyan's global naming system. But when we saw it in action, we suddenly understood that VINES could do what no other networking system could.

> VINES let's us build a completely integrated networking system on industry-standard bardware platforms. It allows us to share printers and software applications, integrate our PCs with our larger computers, and access our data wherever it is. So we can manage our new acquisition's remote data resources from right across Europe.

> In fact, after lunch I'm planning to take an in-depth look at our new company's sales and marketing database - without leaving my office.

...we'll have them on the network by lunch.

And tomorrow I'll send everyone notice of Lockington's promotion - over Banyan's electronic mail system, of course.

For more information on what VINES can do for your busicess telephone 0293 612284 or write to Banyan Systems Europe, Banyan House, Northwood Park, Gatwick Road, Crawley, West Sussex RH10 2XN, England.



Paul Abrahams examines "the second personal computer revolution"

A rush for portable PCs

STITING IN an airport lounge in the US, it is clear that a technological revolution has overtaken the business community on the other side of the

As you await the call for your air-traffic-control delayed flight, smart-suited men and women are hunched in telephone klosks, their faces illuminated by the screens of their portable computers, as they ring putative customers whose details are contained on data base. You are perhaps reading Playboy magazine - they are

making money.

For portable computers are becoming bigger by being smaller. Their decreasing size and falling cost mean that the market for such products is becoming increasingly impor-

That importance is demon strated by the large number of computer companies which have entered the market over the last year and those expected to do so soon.

launched a portable product.
And this year Apple Computer
entered the market nearly four
years after the first rumours filtered through that the com-pany was planning such a machine. Atari and Hitachi aleo launched portable machines during the last year. Analysts expect that it is only a matter of time before IBM re-enters the market after two previously disastrous foraya

into the laptop arena.

The reason why these companies have decided to enter the portable market is that it now represents the fastest-growing sector of the portable computer industry. The rapid growth in sales of standard PCs now appears to be slowing down – some estimates reckon that the PC market will decellerate from 7.4 per cent in 1988 to about 2 per cent by 1990 and companies are hoping to maintain their own impetus by hitching on to the portable revolution

Detaquest, the US-based market research company, esti-mates that worldwide sales of portables (which it defines as being able to use self-contained battery power) should increase from 817,000 units in 1988 to more than 3.5m by 1993. Given that the market was worth \$2,325bn in 1988, it is clear why companies are scrambling to enter the portable industry.

One of the main reasons why portable machines are selling so well is that the technology now exists which allows more or less full PC functionality without having to trade it for

Products types range from laptop to desktop portable, luggable. transportable, and, more recently, mobile,

hand-held and paim-top models.

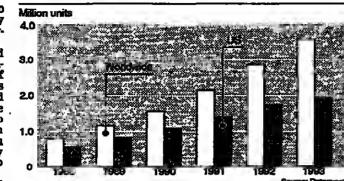
excessive weight, short battery life, or exhorbitant prices. These technological innovations include:

■ Liquid crystal display screens, which provide clear images in poor lighting condi-tions. The last barrier to true PC equivalents - colour - appears to be cracked. Hitachi has recently launched a porta-ble machine with a full colour screen. Other manufacturers are expected to follow their

lead imminently.

Sophisticated power management systems which increase battery life. Early machines could only run on batteries for short periods of cess that occurred in calcula-

Forecast portable PC shipments



time. However, manufacturers claim that recent integrated circuit technology allows their machines to work for much

longer.
For example, Psion, the UK portable computer manufacturer, said that its latest machine can run for as long as 75 hours on a single charge. Intel has also produced a low-powered version of its 80386SX micro-processor especially for

■ Miniaturisation. Manufacturers, particularly those in Japan, have invested heavily in very large-scale integrated circuit technology, and are looking at ways of using both sides of printed circuit boards to reduce weight and size yet further. They are also looking at the possibility of using solid state technology to do away with heavy disk drives. This process of miniaturisat-

ion should eventually allow Japanese companies to com-pete with established PC man-ufacturers, believes Mr Atsuto-shi Nishida, senior manager of international operations for information and telecommuni-cation systems at Toshiba. "We are seeing the same protors," says Mr Nishida. "The customer is demanding a thinner, smaller, shorter and lighter computer. This plays to are already conscious of the

"We are witnessing the sec-ond personal computer revolu-tion," says Mr Nishida, "The first was the personal com-puter itself. Now it is the replacement of the desk-top by the portable. By 1999 70 per cent of all PC sales will be lap-tops. Things are moving fast — at the beginning of last year, we thought it would be only 55 per cent."

What Mr Nishida believes will fuel this growth - and what makes portable computing so interesting for business and industry is the widening range of products available for different applications. There has alwaya been some difficulty in defining what exactly portable computers are - that is clear from the plethora of names used to describe the products from laptop todesktop portable, luggable, and trans-

But this variety in terminol-ogy now appears to reflect the different types of machines

available. The requirements of an accountant for an outside audit will necessarily be differ-ent from demands of a shopfloor operative entering data for a just-in-time and work-in-

progress computer system.

The broadening range of machines with different compromises between function, weight and price means that most businessmen should be abla to find a product that suits his personal needs

Dataquest in the US believes that much of the success of both Zenith and Toshiba in dominating the market has been based on the ability to provide this wide range of products. In the future, it expects manufacturers to pro-vide portable computers based on a modular design, which allows customers to configure their portables to meet their. own requirements.

Analysts see the market sep-

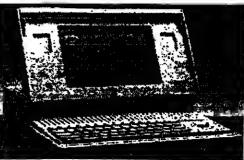
arating into three different areas. At the high end of the market will remain the desktop portable and the battery-powered laptop.

Perhaps most exciting is the development at the low end of the market of the hand-held personal organiser, which also contains epreadsheet and word-processing capabilities. These machines often in A4 format, though sometimee. smaller, have applications in both business, as personal tools, and in industry, as datacapture devices.

The main deterrant for the

volume growth of portable computing has been price," explains Brian Pearce, a research analyst at Dataquest in Paris. "The premium for portability has been too high. Now, with the advent of these extremely light and relatively affordable machines, the low end of the market should experience rapid growth."

digital



Pickured above, left, is the new Macintoch portable computer from Apple Computer, ; below, left, the new Psion Mobile Computer: top right, Toehlbe's T1000SE high-specifica-tion "notebook-style" PC, which weighs on 2.7kg; and lower right, the Epson H)(20.







Lightweight laptops are a boon away from the office

AS WELL as lightening the burden of those who carry machines to and from the office, the arrival of new light-weight, laptop, battery-pow-

weight, laptop, battery-pow-ered machines in the last few months is opening np signifi-cant business opportunities.

Among the earliest of these arrivals was the Victor V86P, advertised as the personal com-puter that "costs you £900 less, and weighs-in four pounds ighter than the most require lighter, than the most popular

apanese competitor." While previous machines weighed 10, 11 or 12 lbs. or even more, these new ones all weigh well under 9 lbs.

Certainly, some older and heavier models are portable, but there is a big difference between merely carrying a machine from your office to the nearby car-park - com-pared with having to carry the same machine bome by bus and train. The new machines, soma no larger than a tele-phone directory, can be slipped into a briefcase with additional papers and files, or even a spare shirt. But how much can be achieved with these machines?

Being fully compatible with the industry-standard office machines, they can use the same spreadsheet and word processor applications that have been standardised for the office. Equally important, an existing PC-user does not need to learn "new tricks." After all, the majority of users are not interested in technology—they want to get on with the job and then just transfer the data by moving a floppy disk from one machine to another, without having to learn any

special techniques.

According to a survey conducted for Compaq among laptop customers and dealers last July, the factors stressed by end-users as most important after functionality are those affecting portability, weight

and battery-power.

When asked to specify a "wish list" of featurea

required, 55 per cent selected low weight (less than 7lbs) as a desirable feature. However, 82 per cent said that they would not purchase a lighter lantop at the expense of functionality.

Predictably, the range of machines just introduced by Compaq falls in line with the aurvey. They all weigh less than 7 lbs and offer the equivalent power of the widely used IBM PC/XT and "clone" machines.

Peter Manson, the compa ny'e sales director, highlights what he sees as the key appli-catious for these new

The new laptops can be easily carried in a briefcase, says **Adrian Morant**

machines: "The market for sales force automation is grow-ing fast. Sales people not only need access to information on the road - they need to be able to communicate directly to head office. New lightweight laptops, fitted with modems, make this level of automation

Sandy Saunderson, managalso highlights sales force automation as a growth market —
"we supply a sales force automation program, SaleMaker Plus, which is primarily a sales person's tool. Sales per-sonnel are able to manage their own data, and they can dial up the sales database and update the information from the field. This reduces the amount of time spent and pap erwork generated in the office."

While this is true, especially in organisations having a large field sales force, there isproba-bly an even greater number of people who need to use com-puters while away from the

office. In some cases the lanton will be their only machine, and for others it will be a portable model to complement the

Most users need easily-oper-Most users need easily-operated machines, especially when working away from the office and probably facing interruptions. This ease-of-use is well-met by Toshiba in its 1000SE machine which features a "resume" mode. This allows users to return to the precise users to return to the precise point they were in their work when they awitched off the

Nick Hall, marketing man-Nick Hall, marketing manager of Toshiba's Information Processing Systems division, says of the company's new 2.7kg 'notebook' machine that "the emerging breed of serious 'notebook' users demand a smaller machine, but still need industry-standard storage media 1500mm discal and the media [floppy discs] and the power to run much of the nor-mal PC software found in the

"This machine is the answer: I anticipate that its power and style will see it become the personal organiser of the next decade. Target-users will be mobile professionals, journal-ists, market researchers and field workers who demand

maximum portability. According to UK market researchers, Routec, the laptop market is one of the fast growing segments of the UK personal computer market with total unit sales in 1988 up

by 229 per cent over 1987. During the first six months of 1989, sales grew by a further 69 per cent over the same period a year earlier. These new machines, by opening up further segments of the mar-ket, will give an added stimu-

One of these areas could be to members of staff to take a machine home where they could "learn by doing," away from the prying eyes of those who have already become computer literate.

How Digital's architecture delivers open systems. Today, not tomorrow.



Different suppliers, different operating systems, different communications protocols.

With the 1990s upon us, why should managing different computers still be a matter of reconciling the irreconcilable?

Computers which are incapable of communication with each other. Software which can't provide portability across different types of system.

Then add the proliferation of personal computers into the mix ...

Digital has the solution. And it has it in the form of product for today, rather than rhetoric for tomorrow.

The key lies in Digital's unique computer architecture - which embraces a set of products, based on agreed industry standards, to achieve Open Systems. And to achieve them at every level ...

Products available today, based on the OSI

standards to connect together systems from different suppliers.

On the POSIX standard to provide applications software portability across different operating systems.

And on the XWindow standard to offer users transparent access to applications, independent of the desktop device they use.

The outcome is a significant step towards true interoperability between systems, through common communications protocols. Towards true software portability, through common system interfaces.

And above all, towards true systems stability. Allowing you to plan - and protect - your IT investments into the future.

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14 million users know our strengths but may not know our name Hardly surprising really. Our Arix has become a policy has always been to form byword for innovation and strategic alliances with blue chip reliability, with a track record stretching from the development of companies, working together to the first multi-processor based produce finely tuned, highly reliable architecture, to next generation systems, railored to companies technologies. Ask any one of expanding businesses like yours. A belief in excellence in all 4 million users. But mention our name. It'll make all the difference, things has positioned us as No.3 you never know you may already be mid-range systems supplier world-(Dataquest News Survey). THE DIFFERENCE IS ARIX

Software developments: object-oriented technology could play a central role in the 1990s, says Alan Cane

A promise of big gains in productivity

scanner, sensor and carriage in the machines is represented by

Second, object-oriented systems are designed for change. According to Mr Chris Semitt of Nantucket Software:

**Cops have the advantage of producing software which is simple to change whenever necessary and is therefore easily the change whenever necessary and is therefore easily the change when the

ily maintainable. This is because the details of the data

implementation are not ran-

domly spread around the sys-tem, but are concentrated in sub-routines which implement operations."

Third, objects are re-usable. This is one of the key advan-tages of object-oriented tech-

niques. Companies can build libraries of commonly used

One company, Cadre Tech-nologies, a computer aided

software engineering enter-prise based in Providenca, Rhode Island, reckons to have

reduced the amount of code

needed for a new application by a factor of 5:1 through the

re-use of existing Oops mod-

Last, object oriented systems are maintainable - that is, easily modified, Conventional

software involves series of procedures and data files which are packaged separately. A change in the data structure,

can therefore affect many dif-ferent parts of the overall sys-tem, so changes have to be

made with great care. With older systems where documen-

tation is sparse or absent, it be impossible to predict the effect of changing part of the system.

Object orientated systems bowever, package data and procedures together. When data is changed, all the proce-dures affected can be changed

at the same time.

Who is involved in developing object oriented systems?

The list includes Apple of the US, Groupe Bull of France

and International Computers (ICL) of the UK, as well as a raft of smaller companies mostly out of the artificial intelligence stable including

Glockenspiel, ParcPlace

Systems and Servio Logic Development Corporation.
ICL, for example, is involved in two major projects involving Oops techniques. One is called Pisa, or persistent information space architecture, the other IPSE 2.5 a project support envi.

space architecture, the other IPSE 2.5 a project support environment that will offer automated controlled use of development processes that integrate management and development activities, formal methods, the re-use of information and transition in methods. Internationel Business Machines, the world's largest

Machines, the world's largest computer manufacturer is also

powerfully involved in Oops. Its strategically important AS/400 midrange computer system uses software which is based on Oops principles.

Additionally, in 1986 it

announced an object-oriented architecture for data connec-tivity called Distributed Data Mangement; this has become part of Systems Application

Architecture, IBM's effort to link all its major systems from

personal computers to main-frames together under a com-mon operating umbrella.

Barlier this year it announced a new suite of office software based ou

object-orientated principles.
There is therefore, plenty of evidence that the major players in the computer industry are taking Oops seriously. On the other hand, the data processing business is notorious

for its willingness to believe that the latest gimmick is the

answer to its problems.

How seriously should Cops be taken? It is, in fact, not a new fad. Dr Alan Kay, formerly of Xerox Parc, now working

with Apple, created an early Oops with the language "Smalltalk" in the early 1970s.

Dr Kay has been associated

with a number of the most important ideas in modern per-sonal computing, which gives Oops a pedigree of some dis-

The patronage of Microsoft is also an important indicator. In 1989 it did a deal with Glocken-spiel, a Dublin company, for a

version of the important Oops

language, C++. The omen

are that Oops will indeed take

centre stage in data centre productivity.

*Object Oriented Systems:
The Commercial Benefits:

Quum, 7 Rathbone Place, Lon-

don W1 1AF; tel: 01 255 2670.

Serious attention

when required.

es of objects that are tailored to its specific needs and so can be used over again

e software object.

A NEW approach to developing computer software called object oriented technology is promising to provide quite extraordinary gains in productivity. While it has only just begun to penetrate the commercial data processing industry, some experts are already suggesting that it will aller a suggesting that if will play a central role in all computer-related technologies in the 1990s. Software written in conven-

tional "third generation" programming languages like Cobol or Fortran are frequently inflexible and hard to maintain (modify). This are a principal reason for the inability of data processing centres to respond quickly to requests

"Fourth generation" languages which allow programmers to write instructions in something akin to natural lan-guage, leaving the computer to generate computer code automatically, have gone some way to solving the problem.

Today's plight

But as Daniel Bobrow of Xerox's Palo Alto Research Ceutre (Parc) pointed ont receutly: Every time you develop a new program, you always seem to have to start all over from scratch.

"Even when the code seems to be very similar to code you have already built for another purpose, the new application you are striving to create requires ever so slight adjustments that make it difficult to use the same code again. That is the plight of today's software designers who are under the gun to churn out more and more new software ever more quickly."
Object-oriented techniques

- which were, in fact, pioneered at Xerox Parc, seem to offer the best solution to this dilemma. Supporters of the technology include major software houses such as Microsoft and Borland International whose chief executive, Mr Philippe Kahn, says: "Object orientated programming tools will enable the development of standard software components which will foster a revolution in the personal computer soft-

And not only in personal computer software. Earlier this year a group of mainframe, mini and microcomputer manufacturers and users announced the formation of an Object Management Group to promote the new technology.
They include American Airlines, Data General and Unisys of the US, Canon of Japan and Philips of the Netherlands. Mr Christopher Stone of

Data General, executive director of the consortium said: "Object management will be the next significant breakthrough in application environ-

So what are object oriented programming systems, (OOPS)? According to the London-based consultancy Ovum, which has made e study of the commercial benefits of OOPS*, they are a way of developing a packaging software that draws heavily from common experience and the manner in which real-world objects relate to each other.

A software object can be So what are object oriented

A software object can be thought of as a package or module with a name, properties that can be used to describe it and a characteristic way of behaving in response to ven stimulus.

It is not an easy concept to of is not an easy concept to grasp; one approximation is the idea of a piece of software with elementary "intelligence": each of the objects in an Cops has its own private memory and knows how to respond to instructions.

Four features

Ovum says an object-oriented system must have four

■ Data and procedures are combined in software objects. ■ Messages are used to communicate with these objects.

Similar objects are grouped into classes. ■ Data and procedures are inherited through a class bier-

From a commercial point of view, the advantages are also four-fold, First, OOPS make it possible for the systems signer to model complexity with greater ease than using conventional methods.

Ovum quotes the example of a measurement system developed by Combustion Engineering of Columbus, Ohio, for its paper making machines. Each physical part of the sheet measurement system such as the

A survey from consultant Butler Cox, published in Sep-tember, forecasts that, by the end of 1989, about 45 per cent of all applications software development in the UK will be performed using 4GLs or a sim-ilar "modern development

This represents a 30 per cent growth in usage over the last year among the leading compa-nies in the UK.

The first 4GLs aimed to tring the power of program-ming to non-programmers. In place of the complex code procedures which were the basis of programs written in lan-guages like Cobol and Fortran, 4GLs brought a more disci-plined approach to program

But it was quickly discovered that 4GLs were better suited to helping professional programmars. The result is that most 4GLs can now offer that most 4GLs can now offer set of features which is compa-rable to those offered by the preceding third-generation lan-guages, like Cobol.

Some 4GLs, such as informa-tion Builder's Focus, have begun to evolve into more com-prehensive development tools

THE SOFTWARE development aids known as fourth-genera-tion languages (4GL) have

come along way since their origins in the 1960s.

Viewed originally as a more efficient and easier way to produce application programs, the 4GL has evolved into an all-round productivity tool which will increasingly dominate the creation of software in

Fourth generation computer languages will provide computer users with a better way to construct their own applications software, says Philip Manchester

A boon for programmers

which approach computer-aided software engineering (Case) in their scope.

"We were extremely sceptical about going in the direction of Case," axplains Gerry Cohen, president of Informa-tion Builders and the origina-

tor of Focus. But we saw that 4GLs offered an answer to some of

The fourth generation language has evolved into an all-round productivity tool

the problems of Case. Why gen erate Cobol code from Cas when you can generate 4GL code?" he asks.

Focus has been re-packaged for the Case market as the Focus Application Construction Tool (Fact) and Informa-tion Bullders hopes use this to spread its 4GL philosophy to the wider, Case market. Other 4GL suppliers have formed similar alliances. Pan-sophic is working to join its Telon 4GL to Index Technol-

ogy's Excelerator Case design tool, for example.

One of the benefits of this approach is to allow consistent code to be generated for differ-ent systems - a factor which is seen as of increasing importance in the coming decade.
"It is a multi-vendor world

now and software developers must take account of the emerging standards and the integration of technology through networks," says Infor-mation Builder's Mr Cohen.

He points out that applica-tions are increasingly being moved from large mainframe computers to uetworks of smaller ones servicing desktop workstations. This phenomenon, awkwardly termed 'downsizing, has put additional pres-sure ou development tool suppliers to produce software which cannot only work on differeut computers, but also

operate across them. Information Builder's plans for Focus, which already works on many different manufacturer's computers, include mechanisms which will make it possible to offer cross-system

which devised the Metpahor 4GL, has approached this problem by aiming at the market for applications based on the

Unix operating system. Unix has become the basis of many hardware manufactur-er's networked workstation products in addition to its ratification as an international standard through the US Insti-tute of Electrical and Electronics Engineers (IEEE) Posix standard.

"Our Metaphor 4GL is aimed at the mid-range Unix system with between 6 and 60 terminals. We see Unix as a best option to cover a wide range of hardware and provide us with the basis of future growth," says Mark Rogers, managing director of MS Systems.

Metaphor has been used to develop applications as diverse

as accounts and order entry to e current, topically appropriate project to build e package for general practitouers in the reformed UK Health Service. Like most 4GLs, Metaphor is suited best to professional programmers and Mr Rogers sees it playing a key part in the

movement of applications software from old mainframe systems to the new breed of

networked systems. "There a very high level tools now coming out for the user to do a limited amount of programming. But the core of the old software written in Cobol is going to be re-written in 4GLs," he says.

Around 45 per cent of the UK's software development involves the use of "4GLs"

But Mr Cohen sees the influence of 4GLs stretching well into the future and does not see them being overwhelmed by the attention currently directed towards the Case mar-

The latest technology to be brought into the argument is the so-called object-oriented, more properly referred to as object orientated, epproach. Originating in Xerox's now-famous Palo Alto Research Center (Parc), object orientation

has crept up on the software industry in the last two years and is seen as a significant

step forward.
"We are in the process of redesigning Focus to be an object-orientated tool for the 1990s," says Mr Cohen.

"This will enable us to impose a modular approach to

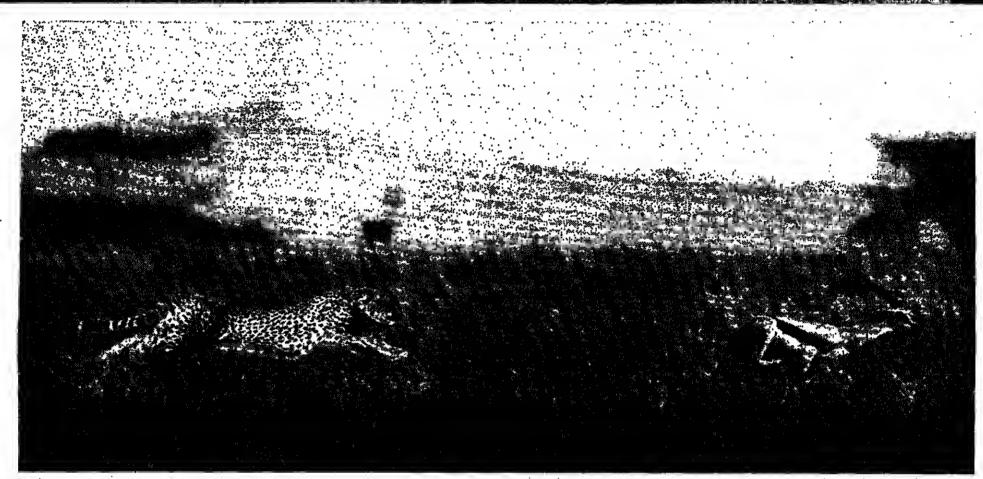
design and make it easier to re-use existing code."

The re-use of code is a key part of the object-orientated approach to programming and promises even greater improvemeuts in productivity than either 4GL or Case.

Under an object-orientated system like Xerox's Smalltalk or Hewlett Packard's Naw Wave, applications can be conwave, applications can be con-structed from re-usable build-ing blocks. This makes it easier to provide and users with usable programming power, as well as imposing disciplines on professionally-written code.

There is a strong possibility that the development of object-orientated systems will take some of the steam out of the demand for 4GLs. But this will not be for some time and suppliers such as Information Builders believe that they can eccommodate such developments as they make their way into the mainstream.

phosis of the 4GL should pro-vide computer users with a better way to construct their own applications to suit their own needs as well as providing programmers with the tools to create the re-usable building



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PC market worldwide Sales 15 Revenue

wars" sees manufacturers ada-

mantly fixed in two camps — centred on the Open Software Foundation and Unix Interna-

tional - each camp supporting

Other potential problems

include security - or, more accurately, the lack of it. Because PCs give a degree of power to the individual user,

and because more data is

stored locally, company

employees can easily copy a disk or print out confidential information when they move

on to their new job with a rival

a different variant of Unix

PCs are becoming more powerful

Continued from page 3

In addition, each employee can introduce software for his or her personal use as quickly as necessary. This need was probably the main impetus behind the rapid growth in the PC market in the early 1980s. Frustrated hy the length of time it took to get a piece of software onto the corporate mainframe, employees used PCs as a tool for cutting through the red tape - they could walk into a shop and huy a PC and an off-the-shelf software psckage to do the accounts or word processing.

However, if employees all need access to a central database on a regular basis, then PCs connected to a central mid-range machine, stocked with electronic files, is proba-

bly the answer.

Dowling estimates that if 80 per cent or more of the data is communal data, then this file-server approach is probably

The decision about whether to rely on networked PCs or to use a larger more centralised system is rarely a purely tech-nological one. A trend which has grown through the busi-ness community in the past ten years is to distribute staff around a number of locations. Companies then look to distributed data processing - such as networked PCs or workstations to reflect the consequent distributed decision making.

concerned the market is flat," he says, "but as a dedicated client-server, the market for mid-range systems is growing

strongly."
Although today's powerful
PCs and workstations often replace many of the functions of the corporate computer system at a lower cost, they can produce their own set of prob-

The networked PC or workstation is proving an economical alternative to many traditional minicomputer systems.

So is the old-fashioned minicomputer really about to be phased out? Definitely not, say manufacturers.

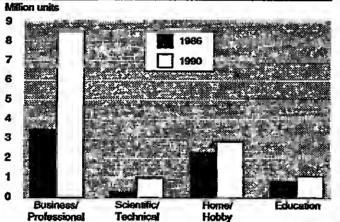
In its role as the departmental file server, the mid-range computer is seeing a new leas of life, reports Barrie Charles, workstations marketing manager for Digital Equipment in the UK - "as far as the traditional time-sharing systems are

In the workstation market, for example, there is still the problem of a standard operating system and a standard way of incorporating the "window-ing" or multi-tasking facilities, Many workstations use the

play in the so-called "Unix

company. This spectre, together with fears of computer hackers and viruses, has become a potential nightmare for many companies using, or planning to use PC or workstation networks. Because although a PC is just a PC, and a workstation is just a work-station, the data that is held on Unix operating system, the subject of lengthy definition them is just as commercially arguments between rival mansensitive as it was when held on the mid-range system or even the corporate mainframe. ufacturers. The latest state of

PC market sectors in the US



DOCUMENT IMAGE PROCESSING

Fast route to efficient filing

of the most boring but essential activities ever devised. A relatively new computerised tool with a predictably complicated name - documen image processing (Dip) promises to improve the tire-some business of storing and

retrieving record Dip is a form of filing where the whole image (for example, a client's letter) is stored electronically. The process involves passing the document through a scanner, much like a photocopier, which takes an electronic photograph called a digitised image.

stored, usually on an optical disc. The image can he retrieved and viewed on an appropriate computer screen. If can also be printed. Although the systems inevi-tably cost more than conven-

tional filing and are a lot more complicated to run, Dip can deliver enormous benefits. For ☐ Less storage space is

☐ Copies of the same file can be viewed by a number of dif-ferent people almost simulta-

☐ Copies can be transmitted to far-away offices. ☐ The files are never lost because the original image

remains on disc. Dip, like all computer systems, can cause many prob-lems. But more of this later. There are two types of Dip systems. The first, and relatively inexpensive, is a simple electronic-image filing system where the documents are stored as images rather than on paper. These systems are usually separate from the com-

outer system serving the office.
The second type offers greater flexibility because it combines software that enables the stored documents to be used on a much larger office An example of this type of

automated document-process-ing system is made by Philips of the Netherlands. Its established image storage system, called Megadoc, is now being linked to software that manages the flow of documents through an organisation. Mortgage departments in banks, for example, can use the software to process applica-

the suppliers. Philips, Olivetti, Wang, Unisys and Racal offer the larger and more sophisti-

These electronic-image filing systems will radically change the way in which many office staff do

their work, says Peter Knight

The digital signals are then

Documents being scanned by a Philips Megadoc image-handling system at Legal and General, the insurance group.

tions for loans. A case worker can call up all the relevant doc-uments simply by pressing a few huttons on a desk-top computer. Once the worker has completed the task the file is npdated and antomatically asses to the next person for

processing.
Dip systems are already part of many office systems. The US Inland Revenue Service (IRS) is spending \$1bn over the next five years on an image process-ing system to handle some of the 220m tax return forms it

receives every year. On the other end of the scale, Amerada Hess, a US oil company operating in the UK's North Sea oil fields has north Sea on Helds has installed a £120,000 Dip system from UK supplier Kionics to store legal documents. Some local anthorities in the UK are planning to use the systems to keep records of the UK's new local tax, called the community charge. Dip is also used in the financial and insurance sec-

Although Dip systems can be run on mainframe computers most suppliers offer products connected to personal computers or minicomputers. PC-hased systems are usually designed for simple filing jobs. IBM, Bell & Howell, Kodak, Canon and Xionics are among cated systems which can be integrated into office networks.

Nick Smith, a consultant
with Peat Marwick McLintock,

says the Dip market is in a transitional stage. "IRM and Unisys have joined the market. There is also a move away from stand-alone to integrated systems. And there is a demand for Dip to run on Unix platforms.

"If everyone wants to use Unix and they want to link the systems into existing dataes, then it will become difficult for suppliers to offer both hardware and software.

He says suppliers are re-thinking their position in the market and most are changing the nature of their husiness. Some are becoming compo-

nent suppliers to larger ven-dors while others are choosing to sell the specialised software needed to control storage, retrieval and automated work-

"Suppliers that continue to offer total solutions (both hardware and software) have to compete with IBM and Unisys. And that's difficult," he says.

Dip is sold, sometimes rather over-enthusiastically, as a way of reducing the amount of space needed for filing, cutting the amount of time and the number of people needed to

But experts emphasise that Dip should be viewed as a tool

problem. A mismanaged system can compound the prob-

lems it meant to solve.
"It is always temptingly easy to automate existing systems. It is far more beneficial to use Dip to improve the organisation," says Marc Fresko a senior consultant with Peat

Marwick McLintock. lmage systems are expensive. They need costly workstations, storage systems, scan-ners and printers. While the cost is coming down these systems are still comparatively expensive when compared with conventional electronic office

The people who build a successful Dip systems need skills from many disciplines, such as archiving, data processing and communications. They also need to understand a range of relatively new technologies, such as high-resolution screens, scanners and optical

storage devices.

A lack of standards, such a the way images are stored and the size of the discs, makes the technical understanding more

But more important, Dip systems change radically the way in which people do their jobs. Consequently, at the outset the system designers have to work with the people who will eventually usc the systems. And the managers have to be able to plan for a change in the way work is

These complexities have forced management to be cau-tious. Only a handful of UK companies have installed systems so. Few have tried to integrate image storage with their existing office systems.

"In August, we counted only 50 systems in the UK and many of those were pilot schemes. The vast majority have no more than 10 screens," says Fresko.

Although he concedes that the job of managing Dip can be problematical Fresko is optimistic about the benefits that companies can reap from integrating the technology with

their office systems.
"There's nothing to stop companies from getting the benefits now, but it will proba-hly be another five years before most organisations attempt the exercise," he says,

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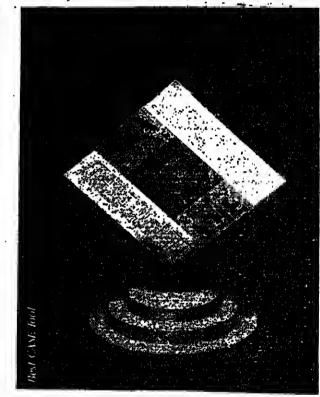
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Executive information systems

More on-screen help for the decision-makers

"I BELIEV executives have been writis cheques for mil-lions of down for information systems ad seen very little benefit from it on their own desks," s/s Ray Discali, vice presidental corporate information and dministration of soft-

War And Area

ware hose MSA, of Atlanta. That he argues, is why many excutives are turning to softwar developed specially for hip level managers -execut/e information systems,

EIS extracts data from a compay's web of internal compercial computer systems to gre managers an insight into their company. They can also receive information from externa data sources - share price novements, for example. The overwhelming reason sift ou relevant information from he miles of computer print-cits that data proces netwoks churn out every

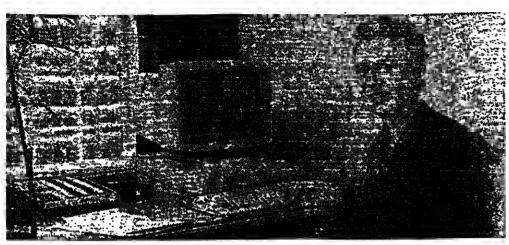
ironically, the more data that is held on corporate systems, the more difficult it becomes to pluck out the rele-vant information, and the more

difficilt it becomes for managers to marage well.

Although all the data displayed of the EIS screen is available asswhere within the company it is the patterns that emege when the data are juxtapoed that can provide insight, ays David Stone, EIS manage at British Telecom.

A cas in point was at the McVitis Group (formerly UB Brands, part of United Biscuits. 'he company knew its sales ropped off over the Christias period but assumed its rials sufferer similarly, says /ic McDonald, Business Systems Manager at McVitie, It was mly when the company overrid the sale figures from its empetitors or its own that executives realised they were

losing market share. Athough only developed in the nid-1980s, EISeystems now have found many friends in high places. In the UK, compa-nic such as ICL British Gas, ICL GPT and the Wellcome Foundation have all opted to



John Hargreaves, finance director at London Underground, pictured here with the Command ecutive information system from Comehere.

Corporation, the Massachusetts-based market research organisation. Four years ago, worldwide sales for such soft-ware packages were worth only \$5m (£3.1m). But in 1989 IDC predicts sales will be worth more than \$50m. And by 1992 the market should have grown to \$115m.

Until now the market has been dominated by suppliers specialising in EISs. They include Comshare, Execucom and Pilot of the US and Metapraxis, Planning Sciences and Holistic Systems of London.

Now, however, the tradi-tional software houses are beginning to realise that there is a burgeoning market to be tapped. IBM, for example, announced earlier this year that it was developing its own EIS, but that is unlikely to be available before 1991. (IBM already sells the Comshare

MSA, traditionally an IBM mainframe software company, has also taken the plunge. It developed a derivative of the Comshare package for use by companies which already have MSA software for such things as accounting or admin-

Discali helieves tie-ups between companies such as MSA and Comshare are inevitable as large organisations demand one source for all their software needs - "large com-panies are tired of fragmented

solutions that they have to gine together," says Discali.
Technically speaking, EISs are diverse, using everything from mainframes to personal computers and a whole range of software technologies.

Floppy disk-based systems re comparatively cheap. The are comparatively cheap. The installation cost of one at the McVitie Group hiscuit company plus the on-going rental of the software, works out at £50,000 a year when written off over five years.

But EISs can be expensive, costing up to £200,000 to install. And they are expensive to run, relying on direct links

to run, relying on direct links between the executive PC and the mainframe computer systems or outside databases. Technically, all EISs have

three things in common: Firstly, they are based on exception reporting, so a part of the business that is doing well or badly can be isolated. Many companies program their software so that a division performing outside a pre-aet parameter is highlighted on the screen in red. •Secondly, they make the

information easy to assimilate by converting figures into graphs, pie charts or diagrams. The computers are also easy use - instead of a keyboard, they can use a mouse, a touch screen or an infra-red remote control device, similar to that for a television set.

Thirdly, they have dynamic ual regions and another layer might isolste the particular product line that was causing

the problem.

To drill down in this way, the software has to be ordered in a hierarchical fashion. The main task of the EIS software is to order the data according to the needs of the individual executive. Tailoring the software package can account for about half the cost - and most of the headaches - of installing an EIS.

A survey conducted by Busi-uess Intelligence, the EIS research organisation, and published in its latest report*, shows that 49 per ceut of management-support professionals found defining the information needs of senior executives to be complex, with an extra 30 per cent finding it very com-plex.

That said, the most succes ful implementations of EISs have been where the information displayed on the screen is of direct relevance to the executive. At the chemical con-glomerate ICI, for example, ensuring that the information is exactly what the executives need has been one of the main tasks, according to Ian Lang, information technology manager for groop headquarters

They are just too husy to use the system if the informa-tion is not relevant," he reports.

* The Executive Information Systems Report, Business Intelligence, Tel: London, 944 1591. Cost £175.

Della Bradshaw

Graphics workstations market US market by end-user groups (\$ billion)

reporting, so executives can

'drill down' through layers of information, to target in ou rel-

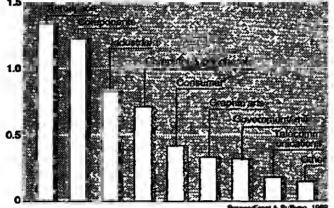
showed a spectacular down-turn, for example, the manga-ger could delve into the rea-sons for the failure. In the case

of a manufacturing group the initial graph might give a break-down of sales by coun-

try. Stripping away a layer

If one division of a company

evant data.



The computer graphics market in the US - which reached \$5.5bn lost year - is likely to rise rapidly to \$5.5bn by 1983. Few segments of the electronics industry have experienced the phenomenal growth of computer graphics workstations, says a report from the market analysts, Frost and Sullivan.

Management views on office computer systems

Lost opportunities

ARE EARLY users of office computer systems lagging behind the latecomers?

Businesses and government departments which were quick to use office computer systems are not necessarily making full use of them today. This is because after the systems have been in place for a few years, there is often a failure to expand and change them (to ceter for new users or exploit new opportunities).

This is one of the findings of a new report on management attitudes to office computer systems.*

Althoogh the majority of respondents (66 per cent) viewed office computer systems as "very important," this did not necessarily mean that they used them heavily themselves or that their fellow managers did. Use was still very heavily weighted towards the secretarial and clerical

It would have been reasonable to expect that those organ isations which started first would demonstrate the highest level of use, given the longer time during which usage could have grown. But this is clearly

not the case.

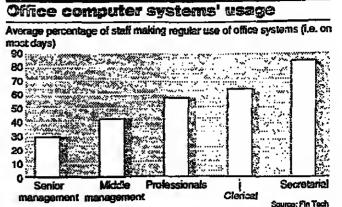
Instead, "the later the start, the higher the usage," seems to be the rule. In the early years, users were predominantly security the security in the search of the security is the security in the security in the security is the security in the security in the security is the security in the security in the security is the security in the security in the security is the security in the security in the security in the security is the security in the security in the security in the security is the security in the security in the security is the security in the security in the security is the security in the security in the security is the security in the security in the security is the security in the security in the security is the security in the security in the security is retarial; and in organisations where implementation was early, this has not changed.

This pattern may also imply that the systems now installed are proving difficult to huild upon and expand. There appears to be a widespread fallure to exploit the dynamic and flexible nature of office systems and hence to derive

maximum value from them. Despite failing to expand the scope of their office systems in later years, most respondents felt that their systems had delivered the benefits they were looking for - 86 per cent of those who had implemented office systems felt they met or exceeded the benefits expected, with only 14 per cent being disappointed.

Over balf the respondents

did, however, have some reservations about costs. Fifty-six per cent said that the benefits delivered by their office systems had been achieved at greater than expected cost. More worrying, perhaps, is the failure of many organisa-



tions to monitor benefits and costs in a formal way against their original objectives. Around 48 per cent had not monitored benefits realised against expectations and 35 per cent of organisations had car-ried out no formal cost/benefit

In an area of expenditure where costs seem more likely than not to exceed expectations, this appears negligent. Over the years there seems to have been no real change in the percentage of organisations

carrying oot formal analyses. Of some interest, however, is a surge in the number of organisations starting to implement in 1984 who neither performed a formal cost/henefit analysis (80 per cent) nor monitored realisation of benefits (67 per cent).

This surge coincided with the period of most intensive publicity from suppliers and the Department of Trade and

Perhaps the publicity some would call it "bype" led to many systems heing installed without adequete attention to costs and becefits. If so, it is hardly surprising that the survey shows a slightly lower number of installations from 1996, with a fall to the 1984 levels in 1988 and no sign of an upturn in

Respondents predicted an erage of 4.6 years before they However, there was considerable variation in the predicted time scales by industry sector, with the government leading the way at two-and-a-half years, and services lagging behind at six years. given for not yet installing an office system was lack of a good husiness case (which may imply that cost-savings have not been demonstrated).

This does not necessarily mean that poor business cases have heen presented and rejected. Only 37 per cent of those who had not installed an office system said they had rejected either internal or external proposals to do so.

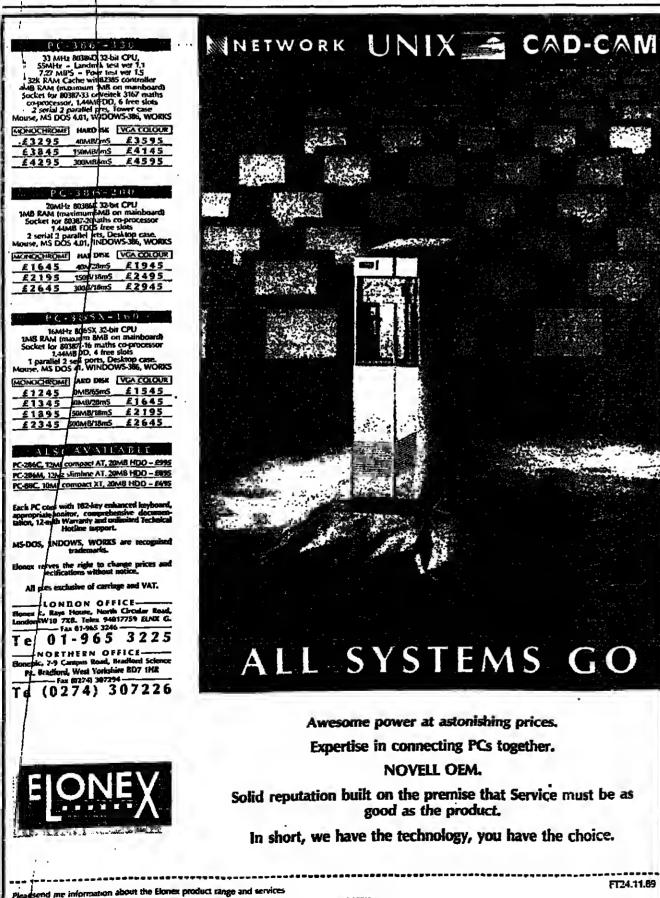
Some proposals may he reaching the wrong managers. One of the survey's most surprising findings was that information mation technology managers stand out as the group least convinced of the importance of office systems.

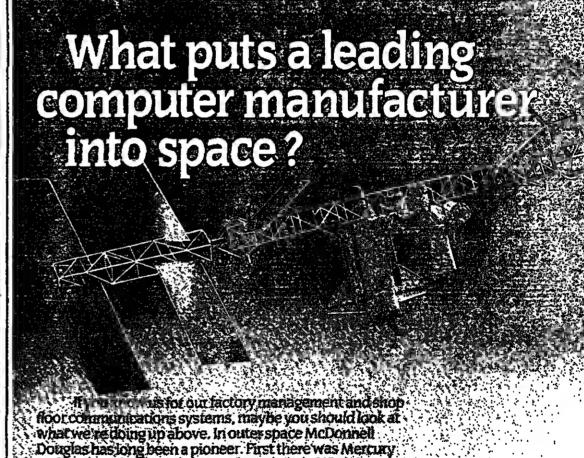
By contrast, general manag-ers (at board level) have been more involved in promoting office systems than they are often given credit for. The gap between the importance general managers place on office systems and their low "hands-on" use of such systems may present an oppor tunity for suppliers in the short and medium-term.

It seems likely that office computer systems installed in the 1990s will be used far more regularly by managerial and professional staff than those installed in the early years. The survey was conducted between Fehruary and April

this year, using a postal ques-tionnaire mailed to 650 of the UK's chief executives and a selection of top civil servants.
*The New Reality: Management Attitudes to Office Systems; by Ernst & Young and FinTech Electronic Office; available in the UK from FinTach on 0483

Joia Shillingford





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Computers and voice-processing technology

How to provide services around the clock

COMPUTERS have improved the interface between a company and its customers. Irrespective of whether it is for sales or for any other applica-tion, the need is to provide

in conjunction with these computers, voice processing (VP) is an enabling technology which is increasingly assisting companies to provide a higher level of customer-service, despite the fact that the trend to a shorter working week reduces the hours available for "customer contact." Even if there was no increase in the total number of calls, this means that the number of calls

per bour increases.

VP systems both supplement staff during the normal working day and can also provide the clock. Heing service around the clock. Using VP. customer-service is not surrendered to the god of efficiency as the system remains even tempered at all times of the day and night - something that cannot be relied of from a human operator.

So how does it work? Telephone order-clerks or service receptionists generally complete a form which is displayed on a VDU screen. With VP, in essence, the telephone is answered by the VP system which then leads the caller through a pre-determined structured sequence in much

the same way.

The caller responds by using the keys on a tone phone or by speaking. For the latter, the system may be designed to recognise simple speech, such as numbers 1 to 0 (both "zero" and "oh"), plus "yes" and "no", or to record more complex

Mr Chris Lewis, director of electronics in the technology division of the PA Consulting Group, points out that the acceptability of a system depends on the motivation of the user (caller). After all, it is quite convenient for a sbopkeeper to place a telephone order with a supplier during quieter evening hours vla a voice processing system - the alternative being to wait for the following day, when both telephone lines and shops are at their busiest periods.

A speech-driven order-taking system, developed for a "major

continental Europe mail order firm" by Mr Lewis's company, is currently being trialed. This system uses speech recognition because, according to Mr Lewis, one can "get away with" tone phones, hut they are not really user-friendly.

Mr Graham Marriott, telecommunications marketing manager of Vanderhoff Communications, speaks of using VP systems for a wide range of applications — including simple ones such as improving communications and enhanc-ing the telephone switchboard

An example is when an executive does not answer his phone, but the VP system would automatically take the call. It would suggest that the

There is much scope for voice potential systems to enhance a computerised

customer-contact operation

caller records a message in a

voice mailhox.
Should the message be urgent, the executive can be alerted via his radio-pager.
A system developed by Disc International, based on Vanderhoff hardware, will answer calls from hranches and collect daily or weekly sales data, as required. It will collect man-

agement information hy talking to branch managers and leading them though the data-entry process, validating information at all required lev els. As they proceed, it will instruct them how to use the telephone dial-pad to enter the By providing the information

at a time convenient to him. there is less stress on the manager who, as a result, will have had the opportunity to check the data. One of the underlying its Hi-Cail interactive VP system was the recognition that. in the past, It has been too expensive for the majority of companies round-the-clock telemarketing

It allows callers at any time of the day or night interact with the system via a tonephone to input telephone numbers and to answer simple questions such as just litera-ture is wanted or whether a presentative should call; (key for the former or "2" for

the latter, for example.) More detailed information is recorded as speech on the 47hour capacity live and hotstandby discs, and can even overflow onto off-line high speed digital tapes.

The following day, VDU operators can transcribe the names, addresses and other details that were recorded so as to merge them with the compnter-recorded data so as to provide a fully detailed database of records which can be responded to efficiently.

Where an even faster response is required, a caller can key in his fax number. This is sent to a PC-based fax machine which dials up the caller's fax and sends a copy of the information requested.

Courier companies need to take orders over the phone. Much of this information is digital in nature - account number, airway bill number, destination code - and can thus he input via the tonephone key pad.

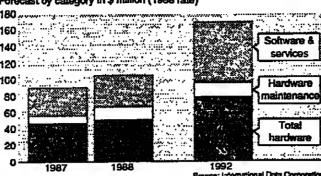
One company addressing this market is Persona Systems which, in the UK, markets Infobot systems from the US. A new generation of Infohot systems handle not only voice but also have image-processing capability. This enables a cal-ler to input his facsmile numher and the aystem will fax details back to the caller.

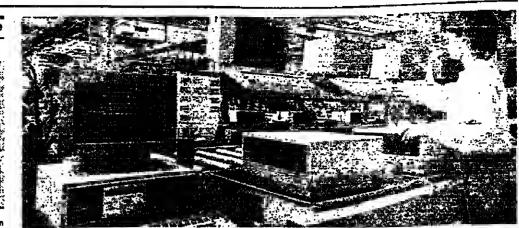
For example, in an order-taking system, the computer can generate an order acknowledgement a copy of which will he sent directly from the Infobot to the customer's fax machine. It can be seen from this broad picture that there is high potential for VP systems to enhance a computerised customer-contact operation.

A quantum leap in lateral thinking is required to recognise these benefits - but that we bave to do for ourselves, since we cannot expect the computer to do it for us.

Adrian Morant

Information technology in Western Europe Forecast by category in \$ million (1988 rate) Software &





Recent surveys of what companies want from information technology suppliers are secure systems which are flexible, maintainable and easily adjused to meet changing business needs. Pictured, above, right, is a computer test line at Olivetti's plant at Scarmagno, Italy.

Fresh moves towards an integrated pan-European electronic mailing system

Big potential for computerised messaging

ELECTRONIC MAIL is the use of computers to produce and transmit electronic messages via some form of communica tions channel, usually includ-ing the public telephone network, to another distant computer system where they can be received and read.

The advantages are obvious instantaneous receipt, and, given today's bigh-speed modems and cheap rate telephone charges, relatively low transmission costs. Furthermore, since a large number of messages currently sent via the postal system on paper need to be retyped into the receiver's computer system, electronic mail (or "e-mail" for short) can also save considerable clerical time and expense.

Each year for the past five years at least we have been assured that this is the year of e-mail - but while the use of e-mail undoubtedly grows, it has never yet realised its full

The reasons for e-mail's relative failure are varied. The important thing to understand is that there is a fundamental difference between intra-company e-mail and inter-company Intra-company e-mail pres-

ents logistical problems that are gradually being solved by new technology, improved software and international standards; inter-company e-mail presents conceptual problems that may be insoluble For the sake of this argu-

ment, the difference between

the two types of messaging is a reliance on the public switched telephone network. Inter-company messages travel over the public network; intra-company messaging uses private or leased communications chan-

Consider inter-company e-mail, the process of sending messages from one company to another. (Occasionally, such companies may be so large and require such a volume of intercompany messaging that they jointly arrange a private leased link - In which case their e-mail installation effectively becomes intra-company.)
The general solution for

inter-company e-mail is the use of a third-party to provide the system itself. This third-party provides a large computer or network of computers able to handle hundreds or even thousands of incoming calls simultaneously.

Each subscriber is then allocated a 'mailbox' (a portion of computer disk memory) and a password. Anyone wishing to send messages to a particular subscriber must therefore be aware of that subscriber's mailbox number.

The process Itself simply involves sending the message to the system provider (such as Dialcom and Telecom Gold) where It is stored 'within' the recipient's mailbox. Receiving a message involves using your password to look into your own mailbox, and the transfer of any contents to your own

The concept is simple, but the problems are numerous. First of all, the obvious: you can only send a message to someone who has a computer same messaging system, and

has already told you his or her mailbox number. Even more problematic, how-

ever, is that inter-company e-mail places a hurden on the recipient rather than tha sender, in the postal service, the transmitter pays. In the telephone network, the transmitter pays. But in inter-company e-mail, the transmitter and the receiver both pay.

The requirement to pay to

The concept of

electronic messaging between computer-users is simple, but the

problems are numerous, as **Kate Taphouse** explains here.

receive something that might prove to be totally worthless places a psychological barrier against frequent inspection of one's mailbox. This destroys the e-mail advantage of imme diacy, and in turn places a barrier against both sending and receiving messages.

Roger Dean, executive director of the European Electronic Mail Association (EEMA), would ideally like to see a system in which only the trans-mitter pays - but be cannot

see it ever happening.
E-mail does not understand international boundaries, and the problems involved in working out who pays whom and how much when messages are sent into different countries is likely to be insurmountable

ing hard towards solving many other commercial and technical problems involved with international e-mail - hut hefore we discuss EEMA's work, we should briefly con-sider intra-company electronic mail. Here the problems are far less difficult, primarily because

direct control of the systems manager. Leased lines can be used between distant computer systems, so that the cost is fixed regardless of the amount of traffic

the whole system is under the

Gillette is one company that has developed an integrated e-mail system for its entire European enterprise (comprising sales offices in most coun-tries, and seven different manufacturing sites).

Based on Network Orlon from Orion Network Systems, the Gillette e-mail system links IBM mid-range computers throughout Europe. The benefits have been immediate and extensive. Telephone bills have been reduced, communications between departments and countries have been speeded, telex and mailbox numbers can be grouped to provide broadcasting features, and the sec-ondary preparation of telexes has been eliminated.

Gillette has solved its intracompany electronic messaging problem - but no company is an island. Whenever anybody within Gillette needs to send a message to somebody outside of Gillette, then even Gillette is faced with the same problems that everybody has with intercompany e-mail.

These problems will inevitably get worse - unless something is done - when 1992 brings increased pan-European EEMA, incidentally, is work- driving force behind the cre-

ation of the European Hectronic Mail Association perhaps the only organi- ation that is concerned with boh the commercial and technical

issues at stake. EEMA members inclue all the European PTTs, may of the largest service proviers including Dialcom, Gesco, AT&T and so on, and a row-ing number of large intrnational e-mail users.

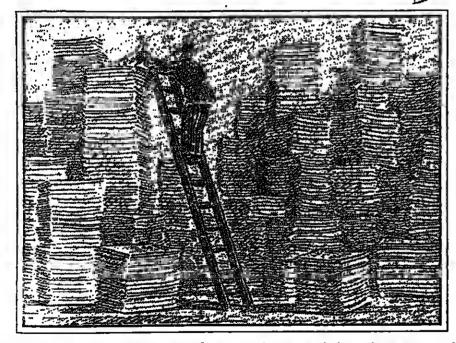
Its initial objective was and still is to promote the use of e-mail throughout Etrope and to press for international stan-dards of use. Now IXMA has been encouraged by the Juro-pean Commission to being a memorandum of understanding for the pan-Europen interconnection of electron mes-sage handling systems.

EEMA is aware that te existence of international emmu-nications standards willnot in themselves promote thdinterconnection of the dilerent message-handling system and services now heing develoed. What is required is the service providers, systems vendors and even users of large private networks must al be encouraged to get togetherand develop a methodology hat will allow a total pan-Eurogan messaging system incorporatmessaging system incorport-ing both public and private networks — in short, to dag the inefficincles of currint Inter-company messaging towards the efficiencies avail-able from within intra-con-

able from within intra-com-pany messaging.

To this end, the EEMA Sec-retariat (te: 44 386 79302) is now inviting all interested parties, provilers, vendors and users, to gi together and selp shape the future of an inte-

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Application case study in computer-aided engineering

A worthwhile investment

THORN LIGHTING'S move into Computer Aided Engineer-ing (CAE) has helped it to recover from a notably bad

patch.
In the early 1980s, the company's market-share was dropping significantly. Delivery was poor, stock and work-inprogress was high, and production was inflexible – all at a time when the market was demanding fast delivery on a demanding fast delivery on a wide variety of high quality, often low-volume filnorescent

light fittings.
Suffering from a £10m loss in 1981, the company is now mak-ing over £43.5m profit in con-junction with the Kenwood domestic products division for the Thorn EMI group, and has become the biggest and most acquisitive light-fitting manu-facturer outside the US and

In the lighting industry, cus-In the lighting industry, customer-specifiers are continually seeking new designs with advanced features, their own custom-made variations, and increasingly competitive costs.

Gone are the days when a light fitting would last 20 years or more. Now it is more like three to five years, so perceptive marketing, together with faster design, prototype and

faster design, prototype and production cycles are required.
The aim is to prevent old

problems recurring like poorly directed product concept and development, lack of inter-departmental communications, time slippage, unrealistic dead-lines and premature product laumches. A feature of the company's

smooth transition to CAE was its training programme, jointly undertaken with Ferranti Infographics, the company's main CAE supplier. The system was readily

accepted by staff - "there was a great deal of enthusiasm about it," explains Mr John Ditchburn, systems manager at Thorn Lighting's Spennymoor operations centre in County

We did a lot of work with potential users to explain the reasons and advantages for the system. We had full negotiations and got their co-operation prior to actually putting the system in.
"We set ourselves a target to

train everybody as quickly as possible. We could have trained one or two people on the system and then created an elite, but then we would have spent many years hringing everybody else into line. "The company examined 60 training courses in different

disciplines during 1988. Prior to installing CAE, the company had first implemented a Manu-facturing Resources Planning (MRP) system, and considerable investment was also made in manufacturing process plant

The Initial Graphics Exchange Specifications (IGES) standard provides links between this plant and equipment and the Ferranti Infographics CAE system.

IGES performs very well for Thorn Lighting, contrary to other companies' experiences. This communications standard is important to Thorn Lighting because it enables design data to be transferred direct to toolmaker suppliers, thereby reducing time, margin of error and cost.

When only five per cent of development cost and time has been expended, up to 85 per cent of the product life cycle costs have been committed." explains Mr Ditchburn.

This is because fundamental decisions are made early in the product design atage on its geometry, materials and con-struction, and methods of pro-

He also argues that early investment in Computer Aided Design (CAD) resulted mainly in increased drawing office efficiency. However, CAD can also be used for tasks such as producing quotations which can be generated faster, more accurately and better presented. The decision to implement

computer-aided engineering was made in mid-1984, and involved a 12 month market review and product evaluation. It meant reorganising the com-pany's entire manufacturing approach. A steering committee was

set up, comprising senior management from the three sites.
"Ws found it best to write our own specification, based on policy aims and user require-ments. We also avoided the trap of looking at what the hardware would do, concentrating instead on the capabil-ity of the software."

In the final stages of selec-tion, Thorn Lighting seconded a computer apecialist from Datasolve, another Thorn EMI

company, to provide consul-

The overll cost of the system togethr with environmental change required at three operating sites over an 18 month perid was in the region of £1.2m. he vital link with customers, be sales enquiry and quotatus cycle in recommendation. and quotatin cycle, is now turned road in a much shorter time simply through marketing's direct access to increased bu selectively avail-able design dta.

Manufactuing is handled from Spennyloor and Here-ford, while dsign is carried out at Enfield'n Middlesex in conjunction wh the marketing department

"The whole is a is for us to become more ustomer ori-ented, and to le the customer drive us rather tan us driving the customer," els Mr Ditchthe customer," eds Mr Ditch-burn. "The cost is been well worth the exercise it has given us experience to uild on and to expand further. The system will eventually lovide the means to transfer graphical data hetween all our sites throughout Europe.

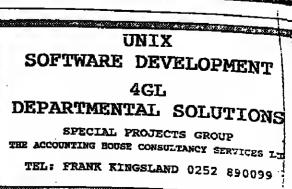
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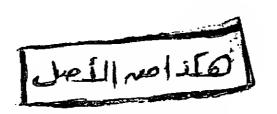


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MANY sectors of industry in

Britain traditionally seeks miracle cures for uncompetitive

ness. The 1970s miracle was

materials requirements plan-

ning (MRP), a computer-based

way of showing factory workers what to do today if the cus-tomer was to get a product at the end of the month.

Today, even vendors will tell

you that up to 80 per cent of MRP systems failed - because

users grafted MRP on to exist.

ing ways of doing things. Worse, users thought it too

expensive to train their people

The concept also suffered at

the hands of more glamorous

government-sponsored technol-ogies such as robotics and flex-

ible manufacturing systems. These also failed, for exactly

the same reasons. So, in recent years, UK man-

ufacturers have sought the

miracle from "just in time" (JIT) production, "optimised

production technology" (OPT)

and other guru-driven solu-tions that often promise much

without the need for any fur-ther computer technology.

information-flows to give

greater production control. Some computer-based systems,

properly applied, can trans-

form a company's responsive-

MRP is still e valid member

of this group, and its fortunes have revived in recent years. Two other areas, shop-floor

data-collection and its near rel-ative, supervisory control and data-acquisition, have been

kicked into life by product-lia-bility legislation. The most

active area, however, is the vaguely defined void at the centre of a quadrilateral formed by data-collection,

machine or programmable con-trollers, MRP, and other

systems such as computer-aided design.

Filling this vold is a step

towards so-called computer-in-tegrated manufacturing. Inte-

gration is a worldwide problem

are eware of the priorities for

integration, reports show that nowhere in the world has

industry achieved over half the

level of company-wide integra-tion that is possible.

This is why Japan's Ministry for Trade and Industry launched a Y150 hillion (\$1m)

- while many manufacturers

There is a more balanced view: it concedes that technology has its place — but it is aware that the most powerful factory technology speeds-up

to use MRP.

Computer-aided software systems engineering

A new way of creating applications software

AS THE husiness use of computers enters its fourth decade, there is hope that the computer software industry may, at last, have found a better way to build applications software. In the 1990s, the ill-conceived, inflexible systems of the past should give way to well-designed, adaptable ones which can walk which can work across many different computers and pro-vide the all-important "compet-

itive edge."

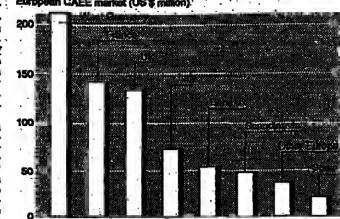
The last few years has seen advanced hardware technology, clever software and a new design approach come together to provide computer systems designers and programmers with the tools and methods to help build complex applica-tions software. These tools are grouped together under the heading "computer aided soft-ware (systems) engineering" – or Case, for short — and they have stimulated great interest among users and industry software developers as an improve-ment on earlier methods of building software. They promise to lower the cost of produc-ing applications software at the same time as making the systems flexible and easy to

On the surface, Case tools are the result of the applica-tion of computer-sided design (CAD) principles to the produc-tion of computer software. They combine the high-pow-ered graphics-processing fea-tures of CAD terminals with

design packages which are geared specifically to produc-ing software applications. But there is more to Case than what are called the front-end' design tools. While these tools can be used to build models of a business, they must be linked to other tools such as code generators to produce the final system. Case aims to cover the whole spec-trum of software development from the technical definitions of the system to the way it is managed. There are many benefits to be derived from this approach. In place of the traditional haphazard approach to software development, Case provides a set of tools based on a formal design method.

These design methods - including the Jackson Struc-

Computer-aided electronic engineering



Europe's electronic engineers will be spending \$3.1bn a year by 1993 on computer systems that simulate the ration of a circuit board or integrated circuit, discovering potential

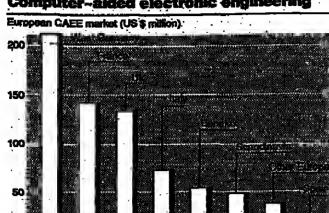
tured Programming method and the Yourdon design method have been around some time. But they have only come into their own with the introduction of Case tools. The tools act both as an aid to understanding the design method and a way to enforce

In the last year the impact of Case tools has become more noticeable. "It is now a mature techno

ogy," says Tony Hill of Excelerator, the UK company which sells the Excelerator Case design tool.
"Users are beginning to see

the right way of using it e nd gaining real productivity bene-fits," he adds. David Fairbairn, managing director of JMA, the UK vendor of the Teras Instruments developed Information Engineering Facility IRF Case tools, agrees: "IRF has come of age and we

are producing some fascinating results," he says. "But I think we must back. off from the hype and take a lower profile while we sort out things like how we actually measure productivity with



market analysts, Freet and Sufficen, London, (tel.01.730.3438) examining computer-aided electronic computering in Europe, says the market last year stood at \$729m - "a dramatic gain over the 1987 base of \$554m."

The biggest boost to the use of Case came in September (1989), when IBM announced its approach to software develits approach to software development under the heading of Application Development/Cycle (AD/Cycle). This important announcement not only laid the ground for IBM's future application development strategy, it also ratified the role of many third-party software tools' suppliers.

IRM IR's chief executive

tools' suppliers.

IBM UK's chief executive
Tony Cleaver described AD/Cycle as "the blueprint for future applications in the IBM envi-IBM does not use the term Case, preferring the more for-mal term "software life-cycle."

Originated in IBM in the 1960s, the concept of the software life-cycle views computer systems in a comprehensive way from their initial inception through to their mainte nance and continued enhance-

ite the difference of terminology, the AD/Cycle announcement was widely welcomed by the software indus-try and IBM's backing of the

principles of Case has confirmed its viability to large cor-

The IBM announcement has given everyone a target to work to in the IBM world and ti is going to drive products in this area forwards," says John Williams, head of Philips Busi-ness Systam's team which pro-motes the Maestro development system. Masetro, developed by the West German software company Softlab, is one of the leading Case products and has evolved from an earlier software development tool which pre-dates Case by

several years. Excelerator's Mr Hill agree that IBM's announcement has had a positive impact:
"It has put Case on the

agenda and makes it difficult for people to say that Case is not for them anymore," he

But while Case suppliers agree on the importance of IBM's backing for the principles of Case, they do not agree on the best way to introduce it.

Maestro, like Excelerator and IBM's AD/Cycle, can support a range of other tools and different formal methods and both Mr Williams and Mr Hill view this as an essential part

view this as an essential part of Case - "Maestro is only loosely coupled to other methods so we can support a range of them. We think this is important because the real problem is not how the systems works - we are happy bout that - but how it per-

"Our position has always been that you need a discreet development system and you use the best tools to suit the application," explains Mr Wil-

Excelerator, similarly, adopts a wide-ranging approach and its design tool has been adapted to work with many different code generation tools and design methods.

We have developed a tool which can be changed by its users to suit their needs and

gives them the widest possible scope," says Mr Hill. But Mr Fairbairn of JMA takes issue with this view: "I take great exception to those who believe in method independence. If one holls it down to whose we boils it down to where we stand now, all the different tools are just mechanical elements. It is more important that the concept of building systems which are separate from their implementations.

"If you look at engineering

everyone agrees on a formal design standard and that's it. We do urgently need to accept 10-year programme in July to promote world standards in natworked systems' integration. The programme will be explained at an international conference on strategic manu-

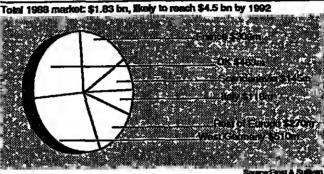
John Dwyer looks at the increasing importance of computers in manufacturing

Production controls improved

Degree of functional utilisation of CIM systems*

Iron and Steel Electrical/Electro ron and Steel

Growing market for engineering workstations



The market for engineering workstations and related peripheral equipment in Europe will lumn from \$1.55m. Europe will jump from \$1.8bn (last year's figure) to \$4.5bn in 1992, according to market

facturing, organised by the Strathclyde Institute at Gle-

neagles, next month.

There is hope — the gap between MRP and data collection, one of the tricklest parts of the void to fill - is an exa ple of where solutions are being found. Such systems carry out day-to-day scheduling, condition-monitoring, communications and report genera tion tasks. Filling this gap was

These single-user systems, more powerful than person uters, are typically used for engineering design simulations and other

usually left to the intrepid few who were prepared either to write or commission their own

The alternative was to throw away much (or all) of the MRP and other costly computer-based applications which users had already acquired in favour of a complete so-called CIM solution from one vendor. Much effort has been

expended on integrating what

users have already purchased. In Britain, one of the key ini-tiatives in this area is probably the computer eided production management project, operated by the Science and Engineering Research Council. This has produced a methodology called Strategem, developed at Poly-

technic SouthWest. Even vendors are now falling over themselves to offer prod-ucts which build on users' existing systems. These products are either ready written or provide tools which allow nsers to build their own systems in easy stages. Ven-dors without such products have formed partnerships to

fill the gaps in their ranges. `To give a few far-from-exhaustive examples, the best-known partnership is probably between the US computermaker Digital Equipment (DEC) and the US factory controller supplier, Allen Bradley.
Their joint product is called
the Pyramid Integrator.
However, DEC has formed
alliances with many other fac-

amances with many other lac-tory controller snappliers and has a seven per cent stake in Consilium, a US software house which has specialised in the integration of planning, tracking, production and qual-ity control systems.

The Pyramid Integrator was preceded by "Time" – the Tandem Integrated Manufacturing Environment. This pools the resources of several manufacturing software suppliers around the fault tolerant computers made by Tandem of the

All sorts of alliances are forming. Tha UK software house and MRP supplier, Hoskyns has long had a relationsyns has long had a telastr-ship with FMT, a supplier of stand-alone and cell-based machine tools, though neither claims a rush of customers for integrated cells and MRP systems. FMT has a supervisystems. FMT has a supervi-sory package called Sate, (now in release four).

Anderson Consulting has formed links with Baecam, the manufacturing systems off-shoot of British Aerospace. Anderson sells the Mac-Pac MRP system and Baecam has an integration product called Cimitar.

Oracle, the leading US supplier of relational database management systems, has just turing integration software and announced the formation of a CIM partnership pro-gramme with, at the last count, 23 computer suppliers and manufacturing and process-engineering members.

In June, Britain's ICL, unched a CIM partnership to Continued on Page 10

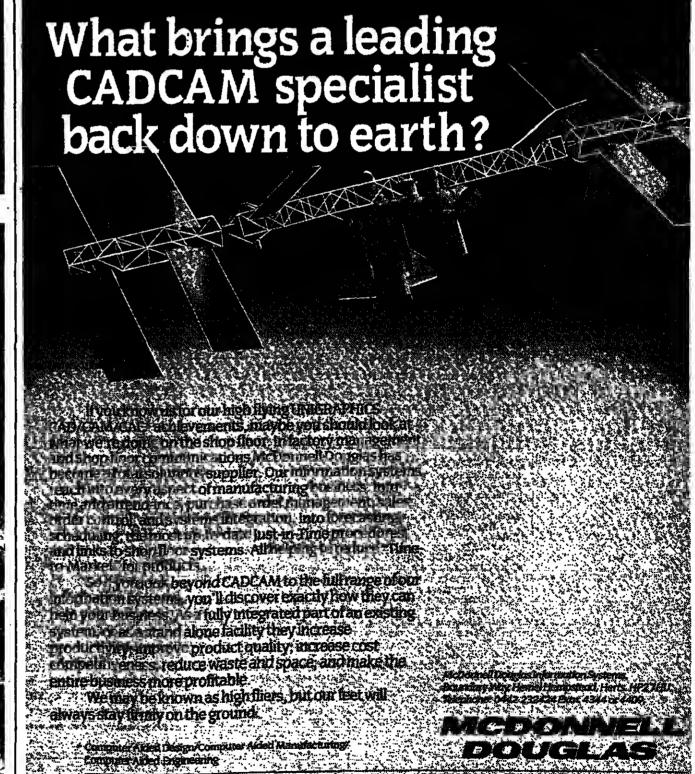
The working solution



worldwide by helping them.

Cognos Limited,





Business case study

Electronic links for export companies

EXPORT NETWORK was established in 1986 to provide online information and trading services to companies involved in international trade. The company is backed by Cable & Wireless and British & Com-

Last year. Export Network won the ASLIB/ISI award for its contribution to information management. Then, earlier this year, it won a contract to oper-ate the Department of Trade and industry's privatised Export Intelligence Service (EIS) for about 6,500 subscrib-

EIS receives notices from British embassies and consul-ates around the world, and companies, it claims no other country has such an extensive network of overseas posts working to help its exporters. But the company's main product is its eponymoos Export Network, an online

The system lists nearly 50,000 overseas agents and distributors

sales and marketing informa-tion system and trading service sold to British Exporters, which has been running for just over two years.

Over 50 organisations supply information to its subscribers. The system is based on two Alpha Microsystems AM2000 minicomputers. Nearly 100 new export sales leads can be accessed every day through Export Network.

Users can search by product and country classification and instantly locate an appropriate distributor and freight forwarder, call up the latest details on documentation and exchange control requirements and obtain the latest foreign exchange rates.

More than 2m screens information are available through five main menu items business opportunities, country and market research, finance, transport and travel, and European Community

1**y** 50.000 over seas agents and distributors for a wide range of products are also available. Foreign exchange rates and other financial information is

updated throughout the day. However, the most exciting development, according to Mr Boh Torrance, managing director of Export Network, is one undertaken in conjunction with the British international Freight Association to estab-lish Freight Forwarders' Net-

work (FFN). FFN is an electronic data interchange (EDI) system for the transmission of documentation information and interna tional trade - "we are cur-rently trialling the system with four British freight forward-ers," he says. "It is due to go live at the beginning of 1990." FFN's computer screens for-mats are laid out in the style of

Production Continued from page 9

target the manufacturing soft

um-sized companies

ware needs of small and medi-

Intergraph, the CADCAM supplier, is providing systems which allow users to acces any of a number of manufacturing databases on a single screen. McDonnell Dooglas Information Systems, traditionally a CAD supplier, is moving towards the provision of a wide range of links to factory infor mation systems. Cimling of the CAD system the hub of an information network which includes MRP. numericallycontrolled machine tools and the product database. Prime is seeking a link with an IBM 'flavoured' systems bouse.

Even the users are involved

Reflex, a subsidiary of Rolls-Royce, is building a system called "Cimpics" (CIM tbrough pictures) at Rolls-Royce's Sunderland turbine factory. Eurotherm Systems has announced a similar system for the management of process industry production. Most important of all, IBM launched a \$6-product 'hlizzard' in October under the banner of its CIM Architecture (ICA). In some ways, IBM is behind the competition - but IBM has spent \$500m to \$600m on ICA so far and the product line will take years to unveil. More significant, though, is IBM's decision to provide links to non-IBM products and systems. This change of heart should remove doubts about the validity of multi-vendor solutions hased on open systems standards.

The author is editor of the FT Newsletter, "Advanced Manufacturing."

Simplification of International Trade Procedures (Sitpro) requirements. But the likenes ends there because the system does away with the need to produce standard documenta-

FFN provides the forwarding industry with the ability to transmit six messages - ship-ping instruction, pre-booking advice, firm booking, bill of lading/air wayhill/bousehill, invoice/schedule of charges, and Single Administrative Document (SAD).

From a customer's initial enquiry through to a shipment being delivered to final destination, there are between 20 and 30 different documents produced in the information

By using EDI, this mass of documentation can be prodoced by keying in information once only, irrespective of the number of people involved. The user advises electronically his intention to move cargo by pre-booking space. The booking is subsequently confirmed

The system then prepares shipping notes for the despatch of goods to the receiving car-rier at port or cargo terminal, and househill documents to move goods by specified carrier to the export destination ccording to terms of trade. The forwarder then issues a

freight and charges invoice to the exporter, followed finally by a SAD for European Community customs entry. By early 1990, the system will include additional messages to complete the freight documentation chain on EDL

The process will be extended in the future to all parties in the transport chain, so that the forwarder will be able to communicete electronically with exporters, importers, carriers overseas partners, hauliers ports and airports, insurance companies, banks and customs

The FFN messages form the international Transport Mes-sage Scenario (ITMS) which conform to the new United Nations Electronic Data inter change for Administration, Commerce and Transport (Edifact) standard.

Edifact defines the compo nents of an actual document or message, the trade documents and the fields within them, and lays down a syntax and coding structure which ensures that these documents will be under stood by all Edifact compatible "We recently launched FFN

at the FIATA World Congress in Bulgaria," adds Mr Torrance, FIATA is the governing body for the world's freight forwarding organisations.

"Britain is world leader in international trade. FFN will ers in the field."

Boris Sedacca

FACILITIES MANAGEMENT

Ways to ease company computing burdens

LOCAL AUTHORITIES are doing it, manufacturers are doing it and even financial institutions are doing it - they are all beginning to employ pri-vate companies to run their computer installations, rather than operating those services themselves.

Proponents of these sort of facilities management (FM) services believe FM can take the computing burden off the shoulders of companies. This frees them to concentrate on their husinesses – be it manufacturing motor cars or selling

But others argue that, although it may be good prac-tice to hand over the catering and office cleaning to outsiders, computing skills are something that should be retained within the company.
Mr George Rzevski, of the

information technology consul-tancy Brainin Rzevski, of Lon-don, and professor of engineering at the Open University, believes that information is an inherent part of management, and therefore information processing should not be handed over to outsiders.

"Computers can give companies competitive advantage, hut to understand them you have to live with them and the data processing staff and absorb the culture of them," says Mr Rzevski. "Yon can't pretend computers are like electricity , that you can plug them in when you want and get a hit of processing power." Despite Mr Rzevski's concern. it would seem that a

growing number of European companies are following in the footsteps of their US counterparts and turning to FM. Three years ago, FM contracts for running computer installations were vitually non-existent in the UK. "Finger in the air" estimates put the revenue at hetween £200m and £400m a year in the UK alone. There are numerous reasons

why companies choose to sign FM contracts rather than to continue with in bouse data processing departments. Two reasons are particularly promi-nent: to save money and to avoid the growing problem of finding suitably-qualified staff. Companies opting for FM

can often swap the cost of huying new equipment with a vari-able cost spread over a period. And as computer equipment cence than the office chair, say, or piece of factory machinery, many companies are persuaded that they can drop out of the technology race, and let a contract person keep in touch for them.

They can also use extra services only when necessary -they do not have the expense they do not have the expense of installing the equipment, or employing the staff, to deal with the peaks. That was one motive behind the decision by Laing & Cruickshank, tha stockbrokers, to employ FM company Hoskyns, of London, during the change-over period from ona computer system (IBM) to another (Digital Equipment and McDounel Douglas).

During the change-over, Hos-kyns is running the older sys-tem as hack-up, while the Laing & Cruickshank staff are trained to use the new system. There are also savings accrued through the economy of scale in which the FM companies deal, which smaller

Although facilities management services offer benefits, others argue that In-house computing skills should be maintained

by larger companies

companies cannot command in both equipment and staff.

FM companies, for example, can afford to buy s mainframe computer and divide its processing power up so that different sections are used by different clients. They can also employ groups of staff with a specific expertise needed by more than one client.

A third group of people - in the UK, in particular - are also opting for FM. They are local councils, which are now being forced to put all their services - street cleaning, rubbish collection and possibly even information technology out to competitive tender.

Birmingham City Council, for example, wanted to pre-empt any ruling that the council's computer services had to be supplied competitively, says Bernard Farrar, City Treaated a deal with ITnet, of Bir- for the easy, if short-sighted, mingham for FM services. Under the agreement, any of

the 170 computer department staff who wanted could trans-fer over to the FM company. The deal will also probably mean that the council will save money. Although Birmingham City Council is paying about £6m a year to l'Inet, Farrar believes the council will actually save about fim a year.

Despite the obvious advantages to local councils of going down the FM route, the deci-sion should not ba lightly taken, advises Paul Thompson, general manager of local gov-ernment-managed services at tha UK computer company, ICL — "it's very important that organisations retain effective control, and that they put the necessary infrastructure in place to do that," says Thompson. "It's not np to a third party to give direction in the provision of services."

More importantly, warns Thompson, once councils or businesses have decided to go with FM, it could be difficult to rebuild their computing exper-

tise within the organisation.

Because a good FM arrangement will allow for growth and change of direction within the business, many FM contracts are necessarily vague. Peter Falconer, marketing director of the facilities management divi-sion of the Hoskyns group, says many FM companies try to think of a contract more as a working or reference docu-ment than as an agreement irretrievably cast in stone.

Most companies change from in-boose computing to FM when they are at a crossroads in their information technology decision making, reports Falconer. This catalyst can be a change of premises, a change in ownership of the company or the need to buy a new computer system. FM can include taking over

existing facilities - what Jeff Outram, manager for facilities management at ICL, calls "sunset FM" - or devising or installing new ones. Contracts can last anything from a few months to up to seven years. In addition equipment can be owned by either the FM company or the one needing the computing services.

Rzevski believes that many

managers naturally lean towards FM because they are technopholic, and frightened hy their jargon-spouting data processing departments. The

Della Bradshaw

Procedures management and forms-processing

Shifting the logiams

computer suffers from one major problem: it simply doesn't operate in the same way as husiness. The PC achieves results through applications (word processing, spreadsheets and so on), hut business runs on procedures.
Using PCs within business

often inevitably leads to the antomation of "vertical slices" within the underlying office procedure that is effectively the business itself. Individual users may need to

extract information from one application (the database), and pass it to another for process-ing (the spreadsheet) hefore including it another application (the word processor) for final presentation and des-

This process becomes even more complex and liable to delay when different users are responsible for the different parts of the process. What is required is an appli-cation that handles the whole procedure, rather than isolated

aspects of it.
To a certain extent, this requirement has in the past been met by a complete indus-try, the software house, that has specialised in the design and installation of individual systems for individual clients. But there are still several problems. First of all, such solutions are very expensive and will almost certainly require the purchase of mini-compoter hardware from the

Secondly, they are by their very nature, restrictive. Such a software solution is designed to reflect the procedures of a the software is produced hy outsiders' there is always the danger that it will not totally reflect the underlying nature of the business — and even if it does, it may prove too inflexi-ble to cope with the inevitable changes that occur within any

dynamic business. Finally, these solutions have tendency to rely on hardware technology, the central mini-computer, that is being replaced in favour by netorked personal computers. Ideally, business requires

multi-user personal computer solutions that can be used to produce a new type of PC soft-ware: systems that automate entire procedures rather than individual applications. Surprisingly, perhaps such software already exists, and

able for a number of years. Variously called 'procedures management,' 'forms processing or 'procedures processing.'

revolutionary new form of networked computer application and the best way to under-stand its capabilities is to look

at a several systems.

One of the best-established systems is Staffware from FCMC. It combines text processing, electronic mail, database and conditional logic features, and is perhaps best-considered as an application generator, rather than e specific application in its own right. One of its strengths is that it does not require a computer expert to design a system

– but it certainly does require

business systems analyst. The first task is to analyse existing corporate procedures, and to define these as a traditional flow-chart. If the procedures can be defined as a flowchart, then they can also be automated by Staffware. The key element is a feature

alled a Diractive (Document for Information, Response and Action). It roughly equates to a

Procedures management has the potential to provide a revolutionary new form of networked computer application,

explains **Kevin Townsend**

process box in the flowchart, and works in a similar manner. Another way of looking at a Diractive is to equate it to an ectronic form.

In practice it comprises four elements: an addressee (the user who is to receive the form), the document Itself (which can be produced either within Staffware or by a separate word processor), the sub-sequent actions (that is, a list of other documents that will be processed once the current doc-ument has been completed), and a reminder section.

Now in most business procedures a printed form will arrive on someone's desk bringing with it information. This information may set off a secondary action, it may sim-ply provide information, or it may require additional input before heing forwarded to somebody else. This is exactly what can happen electronically within Staffware.

When a user logs-on to the stwork he or she is presented with an initial menu-selection that includes the option: GET PROCEDURE MAIL. In one sense, this is analogous to

THE UBIQUITOUS personal it has the potential to provide a looking into a manual in-tray. from other system users.

Now one of the problems with the manual in-tray is that 'too-difficult' work tends to be taken from the top of the pile and placed at the bottom. This only has to happen a couple of times before the work in question begins to hold up other work. With Staffware, this is easily circumvented.

One of the features of the Diractive is a 'reminder.' This allows the system designer to build in 'deadlines' and set antomatic actions to occur if the deadline is ignored.

Procedures management is the electronic control of procedures from inception to com-pletion, with automatic actions instigated by the system during the process.

Staffware enables the user to develop his own personalised automated procedural system.
It is not, of course, the only
such package available. An
important subset of applications now also appearing can
be described as forms processors, and two fairly recent entries come from Rank Xerox (the Microsoft Windows-based FormBase) and from Claris (the Apple Macintosh-based SmartForms).

These programs do not in themselves produce complete applications, but rather they generate electronic forms. Users can then use these as an integral part of their own internal procedures.

These two packages have similar characteristics; both run under graphic interfaces (Window and Macintosb) and both can support PostScript printers for high quality laser output. The concept is rela-tively simple: you design your forms on the screen.

However, yon also huild intelligence into each form. When circolated to another user on the network, his or her input can be automatically captured and stored within a database.

With FormBase, users can have their attention drawn to fields of particular sensitivity or importance through col-oured text and backgrounds. With SmartForms, the forms designer can include various levels of help.

With 'forms' currently com-

prising something like a third of all husiness documents, the electronic generation and circulation of forms by procedure forms processors could provide a completely new generation of husiness applications to emerge within the 1990s.

THE SKILLS SHORTAGE

Recruitment problems intensify

THERE ARE a few phrases that onca created, enter directly into common parlance without further explanation. The demographic time-bomb is

one of these.

Quite simply, the supply of school-leavers coming on to the job market in the UK will drop by 35 per cent by the mid-1990s. This trend is similar, to a greater or lesser axtent, throughout Europe, except for Ireland and Greece. In West Germany, the downturn will be as great as 45 per

Admittedly, the number of graduates will not necessarily fall on a similar scale. About 65 per cent of those who attend colleges and universi-ties in the UK are from middle class backgrounds - the most acute fails in the number of school-leavers have been from working class backgrounds. Furthermore, the greatest falls have been in the North of Engtand and in Scotland

THE INCREASED levels of specialisation required in modern industry and commerce make it increasingly difficult for any single person to achieve all the skills necessary to solve contemporary prob-

Arguably, one solution to help ease the skills crisis in the short-term is to turn to more computer power. There are two possible routes: improved administration to release existing experts from the more mundane aspects of their work, and 'expert systems' to concentrate knowledge into a single and readily-available source.

Improved administration comes from improved and automated procedures. Soft. ware packages such as FCMC's Staffware can automate the flow of documents throughout an organisation. They can, moreover, provide an anto-mated methodology for the rapid and accurate completion of tasks that would normally require the concentrated work of specialised staff.

Consider, for example, the problem of staff recruitment. It would be relatively simple to design an automated procedure to take a (relatively) inexperienced interviewer through initial staff interviews. It could be

where unemployment is high-est, rather than in the prosperous South East. However, the Institute of Manpower Studies (IMS) esti-

mates that the effect of the disincentive for further study created by the introduction of student loans, combined with the attractive salaries being offered to school-leavers by large employers such as banks will, nevertheless, create a slow decline in graduate popu-lation until the late 1990s of some 5-10 per cent.

Few sectors will not be affected by this shortage. Already 50 per cent of graduate recruiters failed to fill all their vacancies for graduates this year. This is caused not only by the declining supply of increasing demand from the Western economies, which are still experiencing surprising growth. The computer industry will

not be spared from this phe-

nomenon. The rapid expansion of the information technology industry which is expected to grow from \$1,000bn in 1986 to \$2,000bn by 1990, will ensure that the demand for graduates in the sector will undoubtedly continue to increase.

Student population

Univarsities and polytechnics are expected to attract

information technology.

more women (a possible increase in the proportion of female students from about 42 per cent to 48 per cent by the turn of the century) and more mature students. Traditionally, both of these groups have been more interested in humanities and social sciences, rather than computer

There is also u general trend towards business studies or taking professional examina tions. rather than taking courses in engineering or

The result, according to the IMS, is that 28 per cent of com-panies are already reporting graduates for their information technology departments. The problem is that the largest proportion of new staff taken on without previous work experience are new graduates. Of all new staff, 54 per cent already have experience, 7 per cent are school-leavers, 9 per

and 28 per cent are new gradu-ates. The computer industry is, then, highly dependent In the UK, the STC group, of which ICL is a part, recruits 500 graduates a year. ICL recruited graduates from continental universities for the

cent come into computing

through internal transfers,

first time this year. Many companies are reactmany companies are reacting to the graduate shortage by competing on price and remnueration puckages. Starting salaries for new pro-

£10,000 - £11,000. However, Mr Richard Pearson, deputy director of the IMS, warns that this response is short-sighted and does little except stir the pot.
There are some much more imaginative responses to the graduate shortage than merely throwing money at the prob-" explains Mr Pearson.

responses, few are actually putting them into practice." These alternatives include: Widening the recruitment net to include graduates from ethnic minorities, women and ature students.

"Unfortunately, although a

number of companies are

talking about these alternative

 Relocation to areas where there is a local surplus. Belfast and the Republic of Ireland are becoming popular loca-tions for software companies because of the education systems there and local unemployment. This not only helps

recruitment, but also retention. Some companies in the South East of England experience an uneconomically high turnover of staff. Training in existing staft.
The IMS estimates that 70 per cent of those who will be employed at the turn of the

century are already in employ-• Increasing the productivity of employees. One in four graduates complains that he or she is under-employed. The itation of Computer-Aided Software Engineering (Case) conid help existing amployees more efficient, which in turn should reduce

demand for graduates.

Argument

This last option — of using Case — may not be the answer to recruitment problems, according to Mr Ian Reid, chief asultant at Data Logic, the consultant at Data Logic, the systems integrators and systems house. He argues that the increasing efficiency of software engineering will reduce unit costs and so increase the demand for such products, again increasing the graduate requirements. There is no technological "fix" to the problem.

Paul Abrahams examines the chronic shortage of

specialists. The declining number of graduates is likely to hit the computer industry harder than most

skilled computer

One other possible solution to the graduate problem would be to start recruiting abroad. However, most other countries within the European Commu-nity are facing similar short-ages.

sectors

One answer might be to admit highly motivated refu-gees who are graduates. West Germany has not been slow to take on refugees from East Germany. The UK, after all, has its own source of highly trained graduates — in Hong Koug. At present, however, the Government appears fixed in its rejection of this option.

How knowledge-based systems provide expert skills

Radical new solutions

used to ensure that all the correct questions are asked, and could be used to generate autoresults of the interview. More importantly, it would free senior personnel manage-

ment from early involvement. And the use of Staffware would not be limited to staff recruitment - indeed, any task or procedure involving the flow of documents could be antomated in this way.

A potentially more important solution to skills short-

ages can be found in the use of

expert systems. Expert systems

are a sub-set of artificial intelli-

gence, a branch of computing that will, in the long-term, pro-vide radically new solutions to many of our problems.

Artificial intelligence is, however, proving continuously elusive, and many manufacturers have turned to the more simple concept of expert systems to provide interim

An expert system is exactly

puter system that emulates the skills and knowledge of a human expert. Much confusion and considerable difficulty still exists over the use of such systems. They were originally developed on powerful mainframes and are only now realistically becoming available on parsonal computers - hut the slow take up of such many expert systems retain systems. Put simply, a good

what its name implies: a com-

other hand, are expert system development anvironments. This provides the first quandary: should you buy a specific expert system, or should you develop your own using an tem shell. The difficulty in answering this question probably explains the slow take up of such

Expert computer systems will not make human

the almost inevitable difficulties associated with mainframe software. Mainframes are almost never user-friendly. One of the continuing problems is the lax use of its termi-nology. Most of the commercially-available systems are not expert systems, but expert sys-

tem shells. An expert system itself is a complete application designed to provide a solution to a par-

experts redundant, says Kate Taphouse expert system is not easy to

> gest the use of outside special-However, the very nature of an expert system, a storehouse of all your corporate knowledge and expertise, will deter many companies from using

develop - and this would sug-

An alternative nama for expert systems is knowledge-based systems. This actually

ticular problem. Shells, on the such systems. The concept itself is relatively simple. The most important task, and what creates the potential of the system, is the definition and storage of a corporate knowledge base – similar to a database, but containing information and expertise rather than raw and uninterpreted data.

Compiling the knowledge-base is a difficult and lengthy business. It requires lengthy discussions with all existing company 'experts,' and the extraction from them of all their expertise. This in itself requires both tact and persis-tence — each person's exper-tise is their own future job guarantee, and is not easily surrendered.

However, consider the classic example of an expert system developed by Campbell Sonps. An important part of soup production is the use of canned food product sterilizers, commonly known as 'cookers.'
These are located in Campbell

and like all such plants, mal-functions and downtime are exceedingly expensive. Local engineers can always handle the small problems. On

plants throughout the world -

occasion, however, serious problems require the particular expertise of someona thor oughly versed in the design, installation and manufacture of the cookers. Such people are few and far

between - indeed, in Camp-bell's case, it was one Mr Aldo Cimino. Cimino had accumulated his expertise in forty four years with Campbell, and quite clearly, when he retired a con-siderable corporate asset would Campbell Sonps decided to

davelop an axpert system based on Cimino's knowledge. This would provide two advantages: it would ensure that his expertise would not be lost, and it would make that exper-tise immediately available at any site around the world. The company chose to use a

system from Texas Instruments, and Cimino made himself available to a Texas Instru-ment's 'knowledge engineer.' Initial interviews enabled TI to produce a very simple expert

In itself it had little value -

but its main effect was to show Cimino that he had a wealth of additional knowledge buried in his subconscious. Further interviews followed, and the knowledge acquisition process continued

In the end, Campbell Soup achieved an expert system that preserves Cimino's expertise and makes it immediately available to its engineers anywhere in the world and can also be used for training new engineers. Texas Instruments also learned a lot from the pros, lessons that are invaluable for any company considering their own expert system. Strong management commit-ment is essential

But equally important is the early demonstration of a working system. It doesn't need to be complete. It can be expanded and refined as you go.
What you need is to be able to show management and staff that the expert system concept is realistic and workable.

Expert systems will not make experts redundant, but

they will make expertise more generally available throughout the industry. They will allow individuals to specialise in more specific areas - and could significantly in help to solve the skills shortage.

Kevin Townsend examines the complex development of operating systems

The debate intensifies

difference is enormous. A text-based operating is primarily designed to display characters of a fixed size and format —

and has considerable difficulty

in displaying graphics.

A graphics-based operating system has no such problem. It

doesn't divide the screen into 26 rows of 80 characters, but

measures the screen in terms of the horizontal dots (pixels) by the number of vertical dots.

Within this screen matrix it has the ability to produce any

character in any typeface at any size – simply because it treats everything, including an individual character, as if it

were a small picture.
What the Macintosh brought

to mainstream personal com-

menus), it is a graphical and highly intuitive method of working — and is now being copied or emulated by all the

major operating platforms,

Microsoft has produced its MS Windows, and has, together with IBM, produced Presents-

tion Manager for the newer OS/2 operating system. OS/2 is the latest arrival.

ers it is, like the Macintosh, intended from conception to provide a graphical interface – but at the same time to be able to run existing Dos applica-

But what, you might ask, have these operating platforms to do with the future shape of

Unix? This is where things start to get interesting - and

Central, but not necessarily pivotal, is Microsoft, designer

of Dos, Windows, Presentation Manager, OS/2 and original developer of the Unix variant called Xenix.

Microsoft is also in the pro-

front runner in the drive

towards Open Systems, believes that we have all been blinded by an excessive debate on Unix. The debate about

Unix has been overtaken — the issue now is "open systems," and this is much wider than

Unix alone.

DEC believes that the existing non-Unix platforms not only will survive but should survive. The Unix debate itself

Almost every Unix interest has declared a commitment to the US POSIX (Portable Oper-

ating System Interface for

dard Unix power system under-

pinning them.
It is not UI nor OSF that will

Compatability

including Unix.

UNIX is going to change the operating system to a graphiface of computing in the 1990s cal operating system, and the or so the pundits tell us. But difference is enormous. A textto what extent that this will actually affect the average end-user, remains to be seen. The main problem is that we

have yet to see a universally accepted standard Unix, never mind the emergence of Unix as the single dominating standard computer operating system.

In the meantime, the alternative computing platforms —

Dos/OS2 and Macintosh in par-

Dos/OS2 and Macintosh in par-ticular – are strengthening their already entrenched posi-tions and will prove increas-ingly difficult to dislodge. To gain a clear perspective on what is happening and what will happen to these competing platforms we must first look at their histories. Unix was originally developed more than 20
years ago by systems engineers at Bell Laboratories in the US.
Twenty years is a long time dows, Icons, Mouse, Pull down

in computing, and it is worth asking why, if Unix is the ideal standard platform, has it taken so long to come to the fore-front. The answer may be found in its origins. It was designed not as an application vehicle for end users but as a software development vehicle for systems designers — it was designed by programmers for

At that time AT&T was pro-At that time AT&T was pro-hibited by Anti-trust actions range of IBM personal computfrom directly entering the com-puter market. So it virtually gave away Unix licenses to anyone who wanted them. Two markets grew rapidly: academia and start-np computer

Growing popularity

In the first, it rapidly grew in popularity until it became a common doctorate thesis to port Unix to a new piece of hardware. In the latter market it was rapidly adopted by new manufacturers who took it as a ready-made operating system that could be used instead of spending many man-years developing their own product.

cess of developing Presentation
Manager for Unix, which will
provide exactly the same user
interface under Unix as it does But against this, the process of giving away licenses to all and sundry has meant that lit-Furthermore, Microsoft's products provide the look and feel for Motif, which is the erally hundreds of computer manufacturers took a standard product and developed their own additions and enhancegraphical interface adopted by OSF and currently rumoured ments to run on a wide variety

of different processors. So, although Unix dominates to be favoured also by Unix Internation al. In other words, the mid-range computer marall the competing platforms ket, there have been dozens of and organisations seem to be despite the theory of Unix soft-ware portability, few of these versions have been genuinely light on the situation. DEC. a

In recent years, AT&T has started the slow process of for-cing Unix conformity around Unix System V. But it's not so simple. IBM dominates the world computer market to an extent that is difficult for lay-men to perceive. And IBM is one of those companies that licensed Unix and developed its

N: 3

own version — AIX. Here you must consider the mentality of the Big Blue giant. Generally speaking, IBM likes to control 50 per cent of any market it enters — and is a side-issue, and one that has already, despite the rheto-ric of opposing camps, been generally speaking, IBM gets what it wants. But if a genuinely standard Unix were to emerge under the direct con-trol of AT&T, IBM would find trol of AT&T, IBM would find itself in a subservient rather than leading role — anathema! So IBM, along with a number of other leading computer companies (notably DEC) formed the Open Software Foundation (OSF) dedicated to the promotion of a standard and open Unix based — need we say — on AT& ating System interface for Computer Environments) standard. This will inevitably ensure that all existing Unix variants will eventually be fully compatible — so whether they are identical or not becomes largely irrelevant. It is very likely that the user interface will also become iden-

This has not been welcomed interface will also become identical, based around the appearannounced the formation of Unix International dedicated to the commercial acceptance of owes much to the pioneering of the commercial acceptance of the commerci

the commercial acceptance of AT&T's Unix System V as the standard Unix.

AT&T invited IBM to join UI, and IBM invited AT&T to join OSF. Neither invitation was accepted, with each camp accusing the other of trying todominate the market and lead other vendors by the nose, rather than by example.

In the meantime, Dos/OS2

dominate the market and lead other vendors by the nose, rather than by example.

In the meantime, Dos/OS2 and the Macintosh continue to grow in strength. It is worth looking at these platforms in chronological order of appearance, for each still has its part to play in the Unix debate.

Dos arrived first. It was, and in reality still is, little more than a 16-bit version and exten-

than a 16-bit version and exten-sion of the original 8-bit micro-computer disk-based operating ers is unlikely to change. Indisystem, CP/M. It did, and still viduals will still use personal computers on their desktops loes, nothing revolutionary. Like Unix, it can be described as a text-based operating sysbut they will have all the support of a universal and stan-

The real revolution in micro-computing arrived with the Macintosh, a product that took win the Unix debate. As Sean technology ploneered by Kerox at Palo Alto Research Centre (Parc) and made it available in director of Uniforum, the Unix

a popular format.

The revolution in question was a shift from a text-based standard Unix."

threator of containing the contai

moves toward establishing common interfaces that will enable different types and brands of computers to share data and software, manufacturers have become engulied in a series of "standards battles."

puter market to flourish over

technology, however, arguments have arisen over how new standards should be estab in the personal computer industry, the major issue has become the argument over "bus" standards. A computer "bus" is the internal communications system that determines how data is moved from one part of the computer system to

range of personal computers two years ago, IEM introduced a new bus architecture called "Microchannel." Previously, all makers of "IEM-compatible" personal computers had fol-lowed IBM's lead and "cloned" the bus architecture of the industry leader's products.
Splitting with IBM, however,

internal "bus" structure which called Extended Industry Stan-dard Architecture, which they developed collaboratively.

Rather than license Micro-

As the computer industry

The need for industry-wide standards is well recognised. It was the establishment of de facto standards based upon IBM's architecture and Microsoft's DOS operating system that allowed the personal com-

the past decade, many industry observers believe. With each new generation of

With its launch of the PS/2

leading personal computer makers declared their support for a new industry standard

More arguments have arisen over industry-wide standards, as Louise Kehoe explains here

Uncertainties prevail

channel technology, IBM's competitors in the personal computer industry have chosen to create their own open standard that will be available for a nominal licensing fee to

Issues range from the design of floppy disks to attempts to create a new

microcomputer "bus" architectures and to such critical topics as the choice of computer

operating systems.

Members of this industry group, including Hewlett-Packard and Compaq Computer have recently launched the first personal computer prod-ucts to incorporate the KISA

systems, personal computers incorporating the KISA bus are capable of running existing standard software.

Another issue facing the per-

sonal computer industry is the size of floppy disk drives, the magnetic storage media used with all personal computers. The industry initially standar-dised upon a 5.25 inch floppy disk, but has gradually been moving toward a 3.5 inch size

over the past few years.

Now some disk drive makers
and Toshiba, one of the leading manufacturers of portable "lap-top" computers, have intro-duced tiny 25 inch disk drives and floppy disks.

In the software arena, the industry standard for

industry is divided over operat-ing system standards. Microsoft's introduction of OS/2, an operating system designed to take advantage of the advanced features of the latest microprocessors, creates yet another dilemma for computer

The predominant personal recently launched the irst personal computer products to incorporate the KISA Much of the efforts of developers of software applications is unlike IBM's Microchannel

to take advantage of the latest software, users may be forced to switch operating systems in the next few years abandoning their software investments to date. Until a solid base of OS/2 applications is established,

however, most users will prefer to stay with DOS. In the broader computer market, the trend toward "open systems" has focused attention on UNIX, the widely used AT&T computer operat-

Currently dozens of different varieties of UNIX are used on different types of computers. In an effort to resolve this Tower of Babel and enable different types of computers to share software and data, AT&T set out to develop a single "uni-fied" version of UNIX.

Instead of drawing the industry together, however, AT&Ts plan caused an industry-wide schism between those who joined with AT&T on the understanding that they would become involved in the development of a "standard" standard. opment of a "standard" version of UNIX, and those who rejected AT&T's plan. The later group formed the Open

announced plans to develop their own , rival version of

Recently, AT&T introduced its "unified UNIX" and demonstrated the operating system

Quandaries surrounding the future of the UNIX operating system has left computer

users frustrated and angry. Dozens of different varieties of UNIX are used on various types of computers.

running on more than a dozen different types of computers. In a move aimed at mending the industry rift, AT&T has also proposed selling equity stakes in its UNIX Software Operation Although there are signs

that industry leaders are ready to bury their differences over UNIX, it is still unclear how the issues will be resolved. In the meantime, the uncertainty surrounding the future of the UNIX operating system has left computer users frustrated and

Adding to the quandaries faced by data processing managers is the vexing question of how to link an increasingly diverse base of computers into company wide integrated

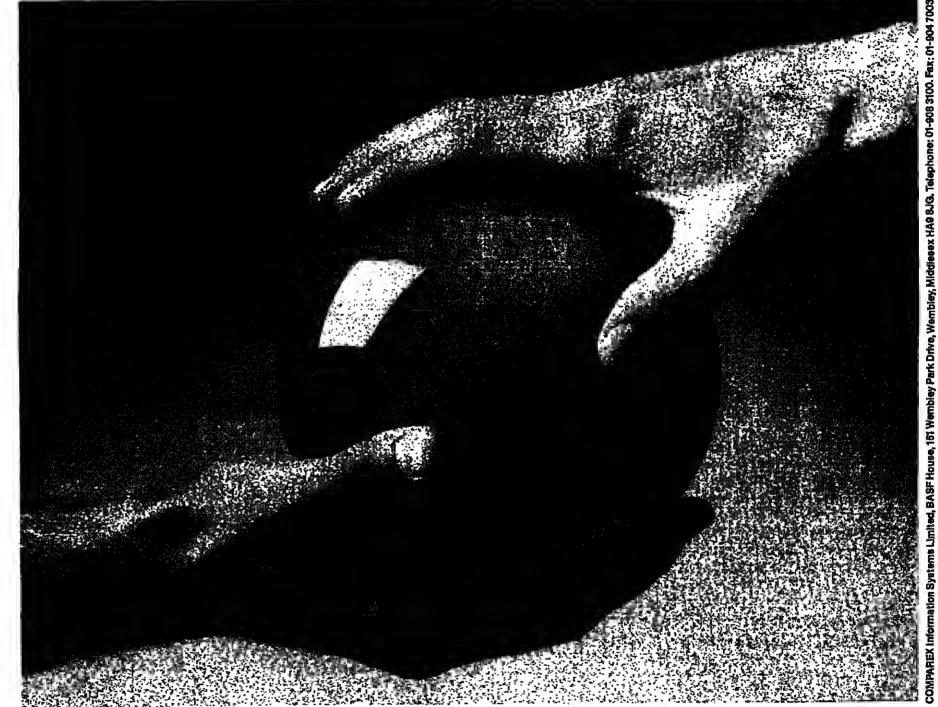
information system. US computer makers are intent upon solving the prob-lems of data communications, but to date they offer only petchwork solutions.

Multi-vendor inter-operability' is the goal of users and manufacturers alike. Business computer users want to be able to run different brands and types of computers on an integrated system.

To meet this need, computer manufacturers have pledged their support for the International Organisation for Standards' "Open System Intercon-nect" model. It will, however, be a several years before details of the OSI standard are

worked out, according to industry experts.

In the US, most network vendors say that they intend to adopt the OSI model when it is complete. In the meantime, though, they are building their own solutions. Users must either choose a proprietary standard such as IBM's Systems Network Architecture or bet upon one of the com-puter network company's intermediate 'open' standards



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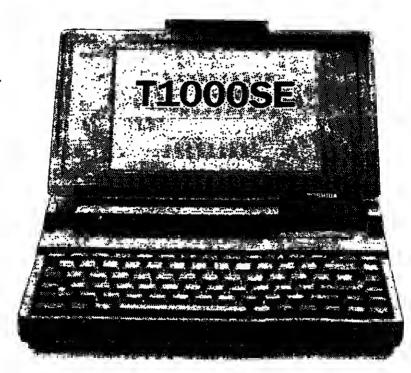
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In Touch with Tomorrow

FINANCIAL TIMES



During the 1980s Bristol emerged as one of the country's most prosperous cities. However.

some observers feel the edge has gone off the economy as space runs out and the city suffers from congestion and rising office costs. **Anthony Moreton** investigates

Constrained by success

THREE YEARS ago, as the British economy was coming out of the recession of the early 1900s, a group of academics at the University of Bristol published a book that posed the question whether their city was about to become Britain's

sunbelt city.
Mr Martin Boddy, Mr John
Lovering and Mr Ketth Bassett
maintained that Bristol had acquired the image of a high-technology growth area at the western end of the M4 motor-way corridor. That change had seen a number of modern sec-tors, such as financial services, electronics and media activi-

electronics and media activi-ties, largely replace the city's traditional, and declining, base centred on tobacco, paper and board and food and drink. Companies such as Hewlett-Packard added to the technol-ogy base created by British Aerospace and Rolls-Royce. Insurance concerns such as Insurance concerns such as Sun Life, Clerical, and London Life moved their headquarters to the city to join National Westminster Bank's insurance services division and registrar's department.

Three years on is Bristol still Britain's sunbeit city? Is the economy still changing in such a way that the 1990s will consolidate Bristol's position as

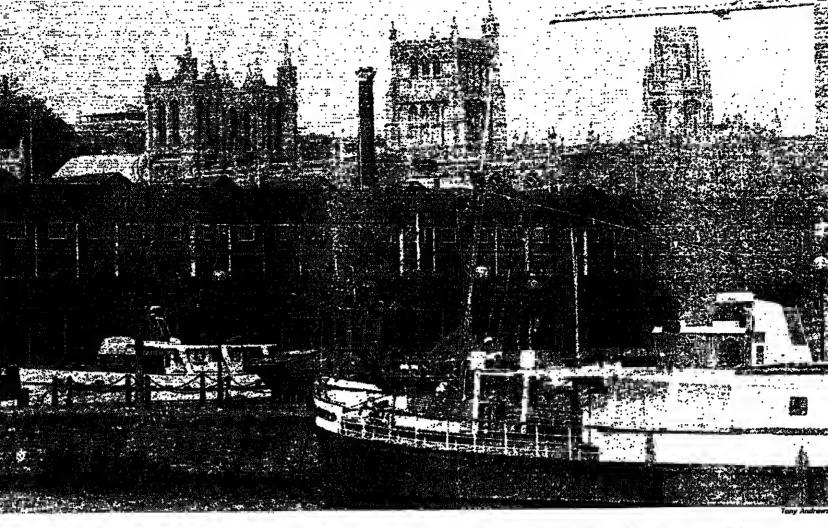
one of the most prosperous cities and one of the most important financial centres after London and Edinburgh?
Mr Boddy and Mr Lovering are not quite so sure. Three years ago they were sufficiently cautious to say that "the city's high-tech growth image and Silicon Valley comparisous are largely wishful thinking." Now they believe the edge may have gone off the growth of the financial sector and that some of the problems inherent in the city could inhibit the flow of incomers.

inhibit the flow of incomers.

"There is a real feeling," Mr
Boddy says, "that not a lot of
space is left. The city is suffering from bad traffic congestion,
rising office costs and escalat-

ing wage costs.
"One consequence is that companies that might have come here have gone elsewhere TSB went to Newport, the Bank of England to Gloucester, the Charity Com-missioners to Taunton. The south west is becoming a via-ble economic region and as companies look to move out of the south aast they will increasingly consider these towns and places in addition to

Mr Lovering, is concerned by emerging skill shortages aggra-



vating the drop in the number of school leavers — the so-called demographic time-bomb. "Training is a major problem," he says. "There has been a massive decline in this area as companies devote fewer resources to it."

His fears are corroborated by His fears are corroborated by the Industrial Society. A report commissioned by it from Mr Jeffrey Austin of the PA Consulting Group showed that the number of young psopla between the ages of 16 and 24 coming outo the Bristol jobs market will slump hy more than 20 per cent by 2000.

Another to voice concern is Mr Michael Green, NatWest Bank's regional director, who

Bank's regional director, who comments that "finding staff has now become a deterrent to any company thinking of relo-cating to Bristol. The quality of those coming onto the market is first-rate, since the schools here are very good. But as Bristol becomes increasingly dependent on the financial sector it is essential that steps are taken to improve the flow of

It is partly to meet the prob-lem of staff shortages, partly to

BRISTOL

overcome tha difficult traffic conditions, that companies have begun to copy what has happened in inner London and move part or all of their operations out of the centre.

Clerical and Medical is switching some of its business to nearby Clevedon; Bristol and West is moving its com-puter operations to the north of the city; South Western Electricity, Sun Alliance Phoe-nix and NatWest's insurance services are going to Aztec West, a development alongside the M5 motorway to the north west of the city; Christie's Bed-room Furniture is going to the docks at Portbury. Mr Mike West, Bristol's Eco-nomic Development Officer,

does not believe these moves indicate any weakening in the city's base: "Moves out of town will not harm the economic health of the city," he says,

"Rather, they will enhance the centre, such as the redevelopment of the Broadmead shopping centre and the Galleries shopping centre."

It is the quality of life as much as anything else that attracts peopla to Bristol. In spite of the fact that it was in Bristol that urban violence erupted in the early 1980s, the city is still seen as an attrac-tive place to live. This is because of its schools, its good housing, and its nearness to the beauty spots of the south

It has in Clifton a suburb that draws comparisons with London's Hampstead as a place of charm and grace peopled by intellectuals, bookshops and wine bars. In an era of green-ness, Bristol has been green for

decades, perhaps centuries. There is, however, continu-ing social tension in St Paul's,

poor housing in parts of the city, especially the south, and

a need to improve transport.

"The problem with Bristol,"
according to Mr Bob Durie, a
partner in J P Sturge, tha
national property consultants,
"is that the city has missed too
many opportunities. The counmany opportunities. The council is only now producing a city centre development plan after a long time and there is too littla strategic planning."

Mr Durie is, like many businessmen, a critic of the council

house, an says the left-wing council has indulged too much in politics and too little in directing Its future,

The council has for some years been in the grip of the hard-left in the Labour party, though some detect the party's centre having recently gained

Whichever faction has the npper hand cannot prevent

ness. The recent decision, for example, not to include leading hotels such as the Grand, Holiday Inn and Hilton in an accommodation guide because they would not or could not put their names to a statement that people wanting to stay in them would not be discrimi-nated against on grounds of sex, race, religion, marital sta-

outbreaks of municipal mad-

tus or sexual orientation. More seriously, the council mains adamantly opposed to the Bristol Development Corporation set up by the Government to rejuvenate some 700 acres of the inner-city around Temple Meads station and relations between the two bodies

remain fraught.
It is coming to terms with Advanced Transport for Avon, the privately-led body seeking to bring trams back to Bristol's streets as a means of overcoming potential traffic problems

in the coming decad Yet co-operation with the private sector is essential if the changes taking place in the economy are to be turned to

What one industrialist

CONTENTS

Political scene

Financial scene

■ The university; The arts

■ The Bristol Development Corporation; St Paul's 5

Manufacturing The retail sector; Tourism

■ The atock exchange; industrial property

Trensport, The docks Editorial Production:

Phillip Halliday

called, "an outbreak of peace in the world" could have a significant effect on Bristol. The city's manufacturing industry is heavily influenced by the defence sector and 1,300 jobs have been lost among those working on military contracts. There are doubts, too, about the future of the tobacco industry, an industry which employs fewer than 2,000 where once it accounted for 25,000.

Bristol may oot have e great deal of space in its centre to provide the sort of manufacturing jobs that are as vital to its future as the inflow of finan-cial-services companies. It is therefore disappointing that there should be e difference over what is available.

More manufacturing jobs are needed, according to Mr David Kern, NatWest's chief economist, because real economic growth in Severuside, of which Bristol is the core, will slow from 2.6 per cent this year to 1.3 per ceot next year. At the same time, unemployment, which has falleo by 56 per cent in the past three years, will rise in the next 18 months by

about 11 per cent.

This slowing in the pace of economic growth means that the area is at a watershed. Mr Terry Nash, director of the chamber of commerce, says: "If Bristol is to succeed in future, we must develop a philosophy of economic development plan-ning, or strategic thinking,

He accepts this means a sort of national economic develop-ment office for Avon, a form of words that might be acceptable in the council house but which is probably anathema in White-

At the university, Mr Boddy and Mr Lovering maintain that Bristol is suffering, from its own success: "The economy of the city is still sound," they comment. "But it is running up against constraints arising from that success. If it has lost a little of its competitive edge it is still a place with a healthy



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BRISTOL DEVELOPMENT CORPORATION

Government) to create the

development corporation.
Ostensibly one was created

because of the need to spend money on the infrastructure and the council has not got the

money. The corporation has a

government-supplied budget of

The charm of the corpora-

Developers say that the

council has been much chas-

tened by the creation of the

corporation and has now

become reasonable on other

tives in Bristol, Sir Robert Wall, says the council is

opposed to the corporation for

political reasons. The area is part of the Bristol East constit-uency of Mr Sayeed. He has a majority of only something over 4,000.

It is one of the seats tha

The leader of the Conserva-

tion from the developers' point of view is that it takes away planning rights and comput-sory purchase rights from the

Stewart Dalby on the struggles between a thriving private sector and a largely left-wing council

Finding the right balance of development

dominated by left-wing councils and national politicians at the end of the 1970s.

They are cities which were

IT IS tempting to think of

Bristol as being politically akin to Liverpool or Sheffield.

The councils were determined to spend money on causes they perceived as wor-tby, such as bousing, cheap transport, social welfare. To do this, they often raised rates to levels which frightened off potential investors which might have created jobs to offset the large unemployment in these cities caused by tha decline of traditional indus-

Along came the Thatcher governments determined to break the power of big city local government and curb

During the 1980s these councils gradually saw the error of their ways - if you view the process as a businessman or

property developer. Sometimes they came to terms with the fact that Mrs Thatcher was in power for the duration and would curtail their revenue raising - if you

government or opposition of The conflict between left wingers in city hall and the private sector over city development took on a different complexion from battles

in Liverpool and Sheffield

happen to see it as a left-wing politician. One way or another all three cities had moderate

councils by 1988.

None of these three towns are strictly comparable for many reasons. But Bristol is specifically different from the north in that it has successfully attracted many new service companies and has turned itself into a thriving business city in spite of the image of a town dominated by left-wing politicians frittering away

funds.
This has meant that tha struggle between the left wing-ers occupying City Hall and the private sector over the way the city should develop has taken on a different complexion from the battles in Liverpool and Sheffield.

The background to the struggles of the Labour Party in Bristol have been well docu-

When the Bristol South East seat was redrawn before the 1983 general election, Mr Tony Benn, the veteran left winger wbo had held it since the early 1950s, lost it to a conservative, Mr Jonathan Sayeed.

Mr Benn then mounted a challenge, as he was entitled to do, for Bristol South held br Mr Michael Cocks, the then important because of the pres-sure that MPs, in turn under pressure from their local parties, can bring to bear on the

This challenge was seen off amidst claim of a great victory

for moderation as Mr Cocks

was a firm supporter of Mr Neil Kinnock, the leader of the Labour Party.

However, the hard left had one last sting in its tall. Before

tha 1987 election Mr Cocks was

deselected as a candidate by the local party.
The Bristol South seat was

won by Ms Dawn Primarolo of

the left. It was a pretty Pyrrhic

victory for the left however, in

that the four other Bristol seats were held by conserva-tives. Mr Cocks became Lord Cocks and continues to fulmi-nate against Mr Benn.

The national picture is

At the local level the city

council, in fact a district coun-

cil, has been in the hands of

the Labour Party for the past decade with a short break of

while five belong to the Liberal Democrats. Eight of the Labour councillors are what the local

media calls the rehel council-

They are considered hard

left and only appear at full council meetings. They refuse to attend committee meetings. The overall council is consid-

ered by all to be firmly in the hands of moderates.
Thus a decade of the central

government chipping away at local government's ability to

raise and spend money has had

sensible way is in a balanced fashion with the private sec-

feel, however, that although things are better than they

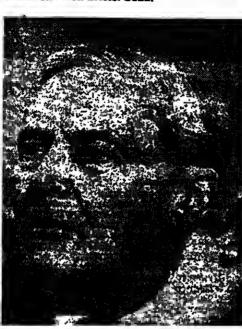
with a decade of the council

Many in the private sector

Today there are 39 Labour councillors, 24 Conservatives

Conservative rule in 1983-4.

Primarolo: won Bristol South



Benn: Jost Bristol South East

Councillor George Mickle-wright, a leader of the Labour Party, argues: "Given the lim-its imposed on funding, the council accepts that the only dragging its feet over all kinds of planning proposals. This has resulted in the council refusing to give plan-ning permission for office buildings. It has meant a shortage of car parks; it has also meant that Bristol almost alone of the country's big cities, has had to wait until now to get a proper one-stop shopping centre in the middle

It has resulted in Bristol trailing the field in moving towards a light transit railway system. The only proposals for such a scheme come from the

Bristol, unlike nearby Bath, does not have a park and ride scheme of parking on the outskirts of town and bussing into the centre.

The council counters all this by saying they have always



ple could walk to work have been forced to move out. The council has been largely unsucwanted a balance of development in the city. Uncontrolled office developcessful in preventing office ment has created the congr tion by encouraging 150,000 berilding commuters to come into the

Such has been the demand that developers have usually come over the head of the council when it has objected and appealed to the Department of the Environment. Usually the developers have won. There has been some residential building along the river but this has been what developers call quality housing, and the council refers to as "yuppie" housing. It is way beyond the means of the 12,500 families on the council's housing

The differences between the council and the private developers have housed in on Canon's Marsh, a 19-acre site on the banks of the River Avon.
This is virtually the last prime site left in the centre of Bristol. The arguments have

The private developers say the council has refused permission because it did not want more offices or yuppie housing or conference centres built

The council says this is untrue and the problem has been the mixed ownership of the land. The council is only

Labour Party must win if it is to gain an overall majority in the next Parliament. If plans for more quality/yupple hous-

Many in the private sector feel that although things are better, they have had to put up with a decade of the council dragging its feet over planning proposals

one of a number of landowners. The others include British Rail, the gas board and so on. None of them could agree with what should be done with the

It seems likely though that a plan for Canon's Marsh will be developed soon.

Attention will then shift to a new battleground - the land covered by the recently designated Bristol Development Cor-

Here the different points of view are sharply brought into

The Bristol Development Corporation covers an area of 1,000 acres stretching out from Bristol Temple Meads station. It is criss-crossed by railways and has very poor road access. Very few people live there but there are a number of old, small factories and some 14,000 people either walk or bicycle to work from nearby estates.

As the council sees it, the developers, running out of land and fearful that the council would never give permission would never give permission for more offices and more qual-ity/yuppie housing where fac-tories and low cost housing should be, persuaded influen-tial people to lean on the Gov-ernment (and one MP, Mr William Waldegrave is part of the

ing go ahead in the area, it will hardly help Labour's chances since most of the yuppies will almost certainly be Conservative voters.

The reaction of the council to these charges are that "Conservatives would say that, wouldn't they."

The council is uneasy about the corporation's plans because they feel it would be more of the same, more offices, more high cost housing, more congestion, more strain on

Still there are the 12,500 families on the waiting list. Still there are families in bed and breakfast. Nothing is being done for them.

The council has so far not been rate-capped but it is facing with some trepidation the poll tax next year.

Some 60 per cent of its £300m budget comes from rates on business premises. It feels a further fall in its revenue is inevitable, but as the corporation accepts there is nothing it can do.

The problem for the outsider is that many of the arguments on both sides are plausible. There is no indisputable right and wrong in the discussions:

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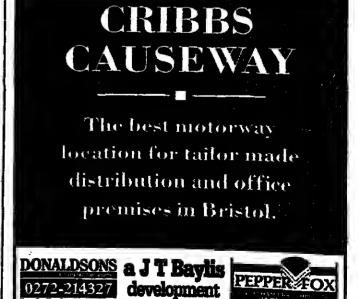


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The pressures on office space in the heart of the city are affecting the growth of the financial community, says Anthony Moreton

Regions beckon as the centre becomes less attractive

NEXT SUMMER, Lloyds Bank will begin moving much of its UK retail banking headquarters functions into a new building being built along Canon's

Some of them are already in temporary premises in Bedminster but when the 1,400 employees (half recruited locally) are in Canon's Marsh, the bank will have played a notable part in sustaining the financial services industry in the city.

There was a time, perhaps as recently as 12 to 18 months ago, when Bristolians, native and adoptive, confidently forecast that Bristol was on the way to becoming the most important financial centre in England after London.

England are: London.

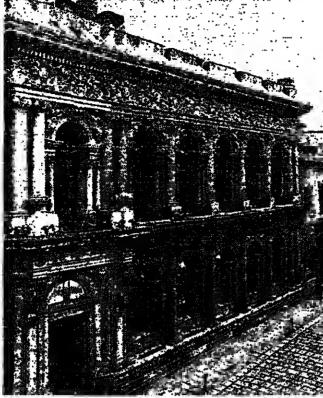
The optimists looked not just at the arrival of Lloyds but the way in which other companies had chosen the city. First, in the 1970s, there was the arrival of several insurance companies such as Clerical, Medical and General, Phoenix, Sun Life and London Life.

Others followed. NatWest Insurance Services, one of the largest insurance brokers and independent life assurance and pension advisers in Britain, moved its headquarters to the city in 1973. The bank's registrar's department, which handles more than 500 public limited companies, was relocated to Bristol a year later and employs more than 650 people. Only a month ago, NatWest Growth Options, the bank's venture-capital arm for smaller husinesses, opened a Bristol office.

During the decade to 1981, employment in the financial services industry grew by 75 per cent. That increase has continued, though there are no official figures to indicate its true level.

Legal and accountancy firms in the city have grown to the point where they conduct the most sophisticated and technical matters to a level previously only obtainable in London — and at a fraction of the

Mr Mike Barnes, managing partner of the newly-created Ernst & Young accountancy firm, offers just one example. "We can undertake work on tax matters in the European Community or work on Inland Revenue investigations. Not many cities can say that."



omething old - the founds of I lowis Bent in Com Street

Elsewhere, the city has its merchant banks in Hill Samuel, Dartington and Singer and Friedlander. It has overseas banks such as Société Générale and Royal Trust Bank of Canada. Royal Trust moved in last year and, according to Mr Bob LeFroy, its manager, it has had a "marvellous" first year.

The city has venture capital

groups such as 3i and Avon Enterprises.

"If you look at the county of Avon as a whole," says Mr Ian Fuller of Coutts, "there is a marvellous reservoir of good people and services here."

people and services here."

Mr John Kingston, Si's director, agrees: "When you consider that Bristol has no great tradition as a manufacturing centre on which a financial services industry can grow, then its growth in recent years has been quite phenomenal. Bristol has a well-balanced financial community."

However, the question is increasingly being asked whether the shine has not gone off the industry, whether the rate of growth is not now slow-

ing. Mr Clive Halton, partner in charge at Deloittes, feels this may be happening. "The growth of financial services was about insurance companies and banks coming in," he says. "It wasn't particularly about companies growing.
"The incomers certainly led

to some spin-off – in areas such as computer agencies and employment agencies. But not enough of that happened and most of the decision-makers are still in London."

3i's Mr Kingston does not think Bristol has gone off the boil but he does believe more heavyweight arrivals are needed if the momentum is to continue and if Bristol is to become the second city of finance. "In development capital, no one has really joined al," he says.

3i is growing at about 25 per

cent a year, a rate being experienced by the leading accountancy firms but there are fears, and Mr Kingston expresses them, that as the UK economy goes off the boil so Bristol will, too, Mr David Kern, chief econ-



Something new: the Lloyds building under development along Canon's Marsh will form part of the group's retail banking HQ

omist at National Westminster Bank, has forecast that growth will slow in Bristol and the Severnside area and unemployment will rise next year. Mr Graeme Robinson, corpo-

rate finance partner at Ernst & Young, is an optimist, though. "The development of corporate banking in Britain has filtered to Bristol," he says, "and the merger activity among the major accountancy firms has created groups able to exploit the new economic conditions."

Mr Clive Barlow, partner-incharge of Coopers & Lybrand,

sees that strength coming from the emergeoce of Bristol as the "capital" of a region rather than just as a financial city.

The Bank of England is moving an operation to Gloucester and with Lloyds and the Charity Commissioners choosing Taunton for their operations, he sees strength emerging in the wider area.

Mr Chris Dunkley, managing

Mr Chris Dunkley, managing director of Dartington, agrees; "This is a region and a region with a wealth basis. To service that in merchant banking terms you have to be here; you

can't parachate people in when

the mood takes you."

The development of the region is needed. Within the city there are definite signs that pressure on space and difficult traffic conditions are making people think twice about opening there. Some potential arrivals, such as TSB, chose to go across the bridge rather than live in the city.

And within Bristol itself

rather than live in the city.

And within Bristol itself there is a movement, relatively minor but growing, for companies to look to the outside to escape the tyranny of the cen-

Clerical and Medical is moving part of its operations to Clevedon; the Bristol and West less Building Society is putting its computer centre at Aztec West, alongside the edge of the city adjoining the M5 motorway.

South West Electricity is making the same move. So is Nat-West, though it has not yet announced anything officially.

High office rents — getting close to £20 a sq ft — difficulties in getting good staff and a shortage of good, modern Mr Stephen Lipfriend, of commercial surveyors Lipfriend Dawson, says: "There is less office space ready to be let in Bristol than ever following a huge growth in take-up over the last year."

These pressures are all causing people to think before committing themselves. Bristol is not going into decline. What is happening is a change of the way in which it is growing. The city centre will become less attractive to large incomers until more modern office blocks come on the market.

IN 200 YEARS THIS COMPANY HAS GONE ABSOLUTELY NOWHERE.

Harveys of Bristol was hegun in 1796 in cellars in Denmark Street, right in the centre of Bristol.

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Naturally, the company has spread its wings. Harveys now has extensive holdings in (not surprisingly) Spain and Portugal.

But it's all orchestrated from Bristol.

In fact, after a sojourn on the outskirts of Bristol, the head office has recently returned to the original Denmark Street site. Harveys is back where it started.

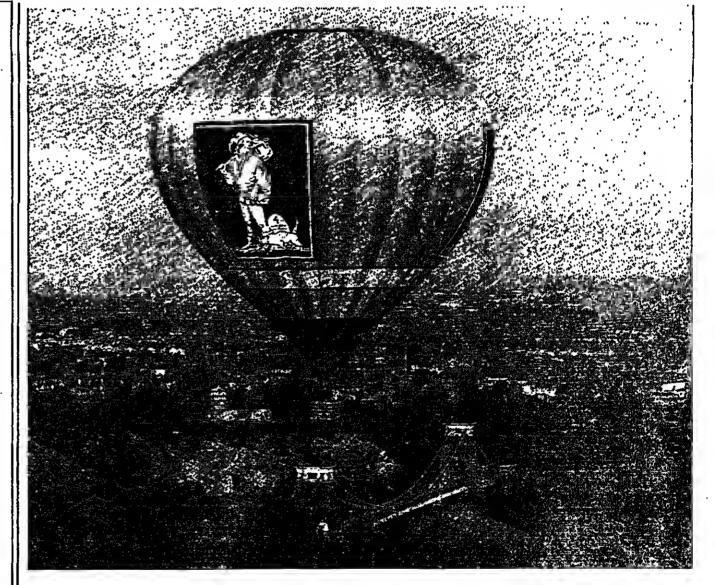
Now, even in this brief history of the company, one thing is clear. You cannot separate Harveys of Bristol from Bristol. Harveys without Bristol is Gilbert without Sullivan.

So what about the next two hundred years? Is this company going places? Well, yes, and no.



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The university has a close relationship with commercial life, reports Jim Kelly

Study of academic links with industry

symbol in Bristol it must be the Wills Memorial Tower, a neo-gothic flight of fancy which punches up into the sky above the city centre.

Completed after the First World War at an eventual cost of £501,566 19s 10d, (£10m at today's prices), it rose, literally, on the munificence of H O Wills and the family tobacco empire. Overall the family contributed something in the region of £22m to the establishment of the university.

This close relationship between academic and commercial life in the city is still a feature today; at a university which boasts at least five world-class departments, and at a polytechnic which enjoys a nationwide reputation for

excellence.
At its most sophisticated this relationship has been expressed by the university's vice-chancellor. Sir John Kingman, who has taken the lead in the debate on the funding of higher education.

His vision of a "free market" in higher education, backed by the annual meeting of vice chancellors and principals in October this year, would eventually lead to new and vital links between industry and the UK's universities.

Under Sir John's scheme, now labelled The Bristol Option, universities would decide how many students they would take in and how

they would be charged. Each university would he allocated a number of state scholarship students by the Universities Funding Council: additional students would be supported in a number of ways, including scholarships

from industry. Tuition fees would be set just above those paid by over-seas students to maintain and keep the best levels of staff numbers and quality (\$4,000 for arts students, £6,000 for science, and £10,000 for medical

But Bristol University's links with the commercial world already, according to press officer Mr Don Carleton, evidence "a business-like approach".

This approach is moving towards its present goal of building a £500m Science and Research Park at Emmerson's Green: the subject of a public inquiry the result of which is due at Christmas. "We expect

the verdict to be in our favour," says Mr Carleton. When fully developed, in association with Bristol Poly-technic, the University of Bath and commercial partners Chesterfield Properties, Emmer-son's Green is expected to contribute £160m to the UK's balance of payments. Its effect on the local economy is esti-mated as 22 times that of the location in Bristol of Hewlett-

Bristol's attitude to industry and commerce is further illus trated by its response to the Government's decision to close the Institute of Food Research, one of three in the UK, as part of a general policy to cut cen-tral funding of "near market

The university is now talking to the Universities Funding Council and the Agriculture and Food Research Council to save the "good sci-ence" on the site and to continue research in areas such as salmonella and listeria which are of great public interest.

While the university recognises the decision to close the institute, the general philoso-phy can apply to its salvation: "We feel the quality of the product can justify a good market price," and considerable positive feedback in teaching.

Bristol sees itself as providing Europe with students after 1992 in the expanding Euro-pean market: "We are producing good products for the world market," says Mr Carleton. What is more, the university is turning away 18,000 "custom-ers", that is potential students, every year. Income from industry and commerce is seen as playing a vital role in closing the funding gap.

"We want the freedom to take as many customers as we can get; give us that freedom and we will deliver the products," says Mr Carleton. · He insists that Bristol's "financial clarity" about its future destroys the belief that there ever can be a "free edu-

Mr Adrian Hill, the univer-sity's industrial liaison officer, keeps a professional eye on the university's intellectual prop-erty rights and exploitable earch results and seeks to co-ordinate post-graduate activities related to industry and

He also tries to identify EC research possibilities for academics while acting as a link to the chamber of commerce and the community.

Mr Hill sees the growth in contact with the business world as a "steady flow" based on a mutual increase in know-ledge and understanding and an avoidance of "cold contacts". Recent achievements include a £330,000 contract with a drugs company for technique development and a £250,000 licence agreement with a telecommunications company which could prove more lucrative.

The university is part of Technet, a link-up across seven counties which provides small and medium-sized companies with a "single door access" to a large pool of knowledge on

Mr Hill says the objective of the university's expansion in the sector is the pursuit of knowledge and excellence. He quotes the university's own Graduate Enterprise Scheme as an example of the "percola-tion" of these ethics throughout the university organisa-

Bristol Polytechnic, the heir to the Merchant Venturers Col-lege and the Bristol College of Commerce, sees its role entwined in the local business and commercial community by definition. And it can point to the location of Hewlett-Packard on an adjoining site, soon to he complemented by Dn Pont, as evidence of its efficacy

in providing a service.

Income from research and development has jumped from between £1.5m and £2m, six years ago, to £7.5m and £2m, six years ago, to £7.5m and the scale of the expansion is likely to be given a fillip by the completion of a £11m information technology project. According to Mr Rob Cuthbert, assistant to the director and head of corporate planning, the important phrase in the polytechnic's development is "in Partner-

With 11,000 students and a £30m a year budget, the poly-technic provides the local econ-omy with a large education and training resource and Mr Cuthbert says the relationships which have grown up are not "antipathetic" in any way to the philosophy of a polytech-nic. "You have to look realistically at what you can get industry to pay for," he says. But he adds: "Most of our money comes from the National Funding Council and that will continue to be the

The Bristol Bnainsss School(BBS) at the polytechnic offers the most popular underand there are 50 applications for every place.

Mr Mike Rees, dean of the BBS, says: "This year the school has launched a new four-year sandwich honours degree course in financial services with a first intake of 75. From next October it will be offering a new honours degree course in business in science combining the study of science with marketing and finance."

While providing graduates for the national market, Mr Rees adds, the polytechnic has over 2,000 part-time students which demonstrates our commitment to the needs of the local community. We also have the expertise to assist organisations in meeting their development needs".

Student and post-graduate work at Department of Com-puter Studies and Mathematics is seen as typical of the poly-technic's ability to reach out into the community. Professor Ken Jukes can record £9m in external funding negotiated this year and at the Bristol Transporter Centre work is underway as part of the £6.8m Eureka European contract to develop a flexible manufactur-ing robotics call based on transputer and parallel processing

technology.
At the Department of Economics and Social Science Mrs Marion Jackson is successfully editing The Bristol Economic Bulletin, of which the polytech-nic publishes 4,500 quarterly for the local business community in association with the Bristol Chamber of Commerce and the Bristol Avon Employer Network - another example of outreach into the community. Mrs Jackson welcomes the increase in consultancy work which the department is under-taking: "It has taken us out of our ivory towers".

The visual arts in Bristol are in a healthier state. Alongside the traditional museum and art gallery there is the Arnolfini, an arts centre, with a cinema, and a performing space in the art gallery.

It was the first such centre

in the country to transform a derelict dockside warehouse,

and in the subsequent 25 years

has built a national reputation.

and restaurant, and from com-mercial and private sponsors. Bristol City Council gives lit-

tle, but has offered a £50,000 long-term capital loan with no

interest for necessary building

A typical recent Arnolfini

success was a touring exhibi-tion of the work of Gillian Ayres, and on many nights the

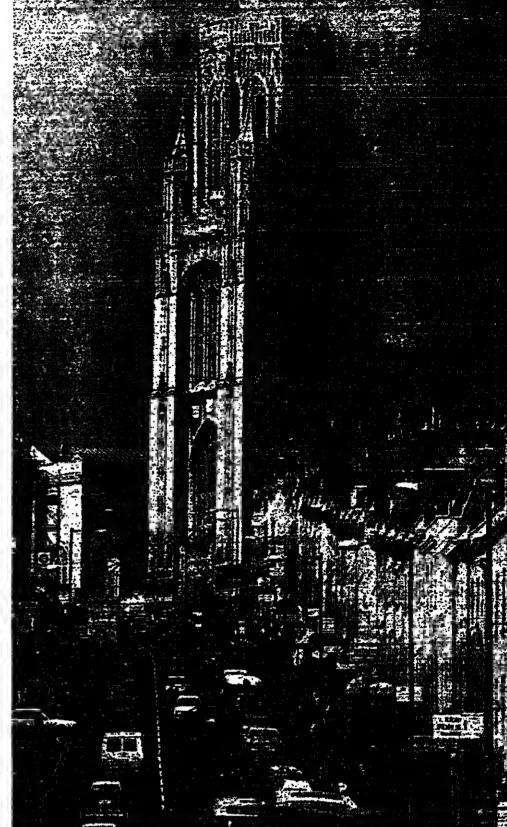
brought to life by a contempo-rary dance company or drama

tronpe performing on the

The Arnolfini is the focus for

artistic life in Bristol, its res-

taurant and bar usually packed with stimulating, and stimn-



It is financed by the Arts Council (£171,000 last year), its income from its popular shop The Wills Memorial Tower: symbol of the city's academic life

at the Arnolfini. The other artistic focal point is the Colston Hall, the orchestral centre which plays host to the Bournemouth Symphony and other visiting orchestras, national and international. The council subsidises seasons of concerts and is also investing £500,000 in a much needed modernisation of the hall.

However, in the longer term the Colston Hall may be sold off to developers. Bristol coun-cil is considering developing the Cannon's Marsh site, behind the Arnolfini and the turned into a large multi-mill-ion pound arts complex, with one large and one small auditorium, and functioning as the home for orchestral concerts and for community projects. If this goes ahead the Colston

Hall may be sold off.
So there is hope for the arts in Bristol. The years of neglect could be over and the city about to enter a more creative

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The council has been slow to fund arts, says Antony Thorncroft

Signs of an artistic revival

BRISTOL has all the potential to become a lively centre of the arts. A fairly prosperous city, with an attractive riverside, a romantic past, a popular uni-versity, strong artistic roots, and a substantial middle class, it ought to be the equal, if not the superior, of any city of its

size in the country.

That it has failed to match the recent artistic achievements of Birmingham Bradford, or Glasgow is a sad indictment of the city council, which has ignored the contri-bution the arts can make to reviving cities, acting as a magnet for new businesses and giving the population pride and some excitement.

in recent years the council has been positively stingy: so much so that the Arts Council tried to shake it into action three years ago by cutting its annual grant to the Bristol Old Vic theatre company hy £70,000, a ploy which had only limited succes

The council also lost the chance to gain for Bristol a main orchestra. The Bournemouth Symphony was looking for a new home and for a more secure financial haven. Harvey's of Bristol, the wine company, was prepared to put up cash if the orchestra adopted its name. The Arts Council was ready to bless the move with a dowry, but the city was unwill-ing to play its part: it did not like the commercial connota-

But now there are signs of an artistic revival, with the local councils, Bristol City and Avon County, showing a greater commitment to the

The councils still concentrate their funding on the community arts area, and are anxious to improve access to the arts among people who have little experience of them, but the centres of excellence are no longer slighted. This month has seen the go-ahead for a £30,000 strategic plan which will plot a multi-million pound investment in the arts into the

The Old Vic has traditionally been the keeper of the theatrical tradition in Bristol, with a celebrated drama school and a long record of artistic success. It left the hig, lavish, productions to the Hippodrome, which is home to touring West End musicals ("South Pacific" has just finished there), and to

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the Welsh National Opera.
But a few years ago the Bristol Old Vic hit a lean patch,

and fell out of favour with the council. Now it is under new management, with Paul Unwin artistic director and Mark Everett administrator. They have taken some tough financial decisions, notably closing down performances in the Old Vic Studio for this season, but they are attempting to improve the quality and to attract better acting talent to Bristol.

andiences are up by 6 per cent.
The Old Vic is also doing more out-reach work and Unwin's community play "A Town in the West Country," which used local city folk by the score to evoke Bristol in wartime, packed the theatre and won council approval. It is also offering concession-ary prices to young people, and other groups with a poor theatre-going tradition.

The two tocal councils are responding to the theatre's

That it has failed to match the recent artistic achievements of Birmingham, Bradford, or Glasgow is a sad indictment of the city council

The first fruit of the new confidence was "The Misanthrope", a joint production with the Royal National Theatre and starring Alec McCowen, which was well received when it moved to London's South Bank This worth don's South Bank. This month an old Bristolian, Timothy West, has heen tempted to appear in Ibsen's "The Master

The programming may con-centrate on safe classics, with no new plays this season, but revival, and have increased subsidy from £180,000 three years ago to £290,000 this year, with the city contriboting £25,000. But the Arts Council still provides the bulk of the aid: £423,500.

Next month it delivers an in-depth report on the opera-tion of the Bristol Old Vic. If it is fairly favourable, and signs are that it will be, the local authorities are expected to make a firmer commitment to the theatre.

lated, folk. It works closely with the Watershed, the media centre just across the docks.

They share a programmer for films, who mixes the cinematic popular with the avant-gards. There are also close ties with Artspace Studios, a community of artists based near the city centre, which undertakes workshops

This was the view of The Legal 500*, the lawyers' guide to when it

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Page 061 531 7115

Anthony Moreton looks at the Bristol Development Corporation

A road-worthy discussion





lage, with people living and playing there as well as work-

It is Temple Meads, though, that is perhaps the crux of the difference between the two

If the road is built the corpo-ration believes not just that a notorious bottleneck will be eliminated but also that devel-

opment potential around the

station will be enhanced, and

those arriving by rail in the city for the first time will get a favourable impression rather

than be confronted with a

The increase in development values consequent on change of use is crucial to the success

of the corporation. To succeed, Bristol must encourage a

quite-enormous leverage of the small public funds with the

injection of considerable pri-vate capital.

There are high hopes that the government commitment to Bristol Development Corporation will be increased "substantially", as it has had to be in Leeds and central Manchester Even if it is doubled there

ter. Even if it is doubled there is a huge gap between £30m and the £1bn-plus cost of the

work expected to be under-

It all hinges, in Mr Thomas's opinion, on the road. "If the spine road is not built now I

can't see it ever happening.

The strategy would then have to be recast at a lower level

and a very great opportunity would be lost at Temple Meads.

be done here, and for such a

small infusion of government money. It would be a great shame to miss this opportu-

There is so much that can

seedy view.

Christopher Thomas (left) and Miles Collinge issued a development warning to Cecil Parkinson, Transport Minister

THE BRISTOL Development Corporation delivered what amounted to an ultimatum when it met Mr Cecil Parkinson, the Secretary of State for Transport, earlier this month.

Mr Christopher Thomas, chairman, and Mr Miles Col-linge, his chief executive, sat in the minister's Marsham Street office and told him that if the corporation was to succeed it needed a spine road built through the area.

Without this road the success of the corporation's plans to rejuvenate 900 acres of run-down inner-Bristol would come to nothing. Private-sector money would not be attracted in sufficient amounts to under-

take the necessary work.

The £49m for the mile-and-a-half of dual-carriageway had to come from the Government, they said, because the corpora-tion's own hudget was £15m, spread over its five-year life. "We told him," says Mr Thomas, "that a decision was urgent. We need to know by the end of the year." To tell a minister he has to

make a decision in six or seven weeks is akin to putting a gun to his head and ministers are known not to like that. Government decisions are not made that way. To complicate matters, Mr Parkinson knows that a change in the European Community rules on regional policy towards road schemes has made it a lot less likely that Brussels will contribute towards the funding of new

"The matter of the roads simply must be sorted out," Mr Thomas says, "because unless we can we will not be able to do what we want to in the area. This part of Bristol is

to the area — St Anne's, St Philip's and Temple Meads — and none has been developed because of poor access. A spine road would, for instance, take 30 per cent of the traffic away from the junction outside Tem-ple Meads, the main railway station in the city."

At the same time as he is calling on the Government to fund the roads ha is also seeking more money for the work of the corporation itself. As the other two third-stage urban development corporations -central Manchester and Leeds quickly found, £15m is simply insufficient.

As if these problems were not enough, Mr Thomas has to conduct his negotiations with government knowing that Bris-tol's city council is sniping at his activities

Sniping is perhaps an inap-propriate description of the council's activities; heavy artillery might be a better choice of

Bristol's Labour council bitterly opposed the creation of a nominated quango, seeing it as government trampling over the province of an elected body. It petitioned against the bill setting up the corporation, thereby holding up its creation for some months and has continued to concer its general tinned to oppose its general strategy.

"The traditional heartland of Bristol industry is under seri-ous threat from the develop-ment corporation," the city council's planning and traffic committee has gone on record.

"The anti-industry attitude could spell the end of St Philip's Marsh as a key base for

industrial jobs," according to
Mr lain Patterson, city planning officer. "The council believes existing jobs and industry should be retained and nurtured and is anxious that the corporation should lift the threat which its current. criss-crossed by roads, rathway lines, water and bridges. "There are three main parts

the threat which its current plans seem to pose."
The government is unlikely to pay much attention to this opposition. It set up third-generation urban development corporations precisely because it lacked conviction in the ability of local councils, especially Labour ones, to rejuvenate

The clash between Bristol Development Corporation and the council is one that Mr Thomas regrets. "We want to hring back development into the centre of Bristol," he says. "We want to maintain the

existing manufacturing base. We are not here to wipe out jobs or firms. We will clearly not please everyone but our plan sees the creation of 18,000 plan sees the creation of 18,000 new jobs, 11,000 of them directly within the boundary. We certainly don't see the corporation as a hig ring fence around the area and helieve that what we are doing will benefit the city as a whole."

The creation of jobs and the effect the plans will have on existing businesses is probably

existing businesses is probably best filustrated in St Anne's, once the home of 1,800 jobs in the board mill, now a develop-ment site.

The city wants to concentrate industry within St Anne's; the corporation thinks this impracticable. "We believe it is unsuitable in total as an industrial area," Mr Thomas says, "though we want to see some. We want a community to grow there, an urban vilThe district of St Paul's is a world apart, reports Stewart Daiby

The other side of yuppiedom

IT TAKES precisely nine minutes to walk from the Holi-day Inn to the St Paul's district of Bristol, but they are worlds

The contrast between the well-dressed men and women wielding credit cards and cordless telephones, and the smashed in cars and prostitutes sitting on stalls on the streets of St Paul's seems total.

The Holiday Inn stands as a symbol of the new Bristol, which has grown up in the past 10 years - the successful, thriving business capital of Britain's south west.

St Paul's is the rundown inner-city area, which, like Toxieth in Liverpool and Brixton in south London, has

ton in south London, has become synonymous with racial unrest, barely controlled crime, and drug abuse.

According to Mr Joe Williams, Bristol's only black councillor, there was unrest in 1981 and then again in 1986. The district's notoriety, however, stems from rioting in ever, stems from rioting in 1987, when the police mounted Operation Delivery.

A small number of police moved into the Black and Whita Cafe to try to arrest some dealers in soft drugs. They chose their time badly, since it was the middle of the

The Hollday Inn is symbolic of the Bristol which has grown up in the past 10 years

afternoon, and kids were com-ing home from school. Stone-

Having, apparently, found only "minimal" amounts of drugs, the police came back again in the early evening complete with reinforcements with riot shields.

This time, there was serious rioting, with hurnings, smashed-up buildings, lots of beatings, and lots of arrests. No one was killed. St Paul's has remained

tense. What people resent, according to Mr Williams, is the police coming into, say, the poh that he owns, the St Nicholas House in St Nicholas Boad, and trying to arrest someone perhaps for stealing a car, but then pushing everyone else around.

Strangers are treated with suspicion, as I can testify from my trip to the pub. When I went in, in the early afternoon, and asked for Mr Williams, a definite hush descended on the half-full pub.

St Paul's, which is a sub-district of Mr Williams' Ashley
Ward, and consists of about six



Holiday inn (top) far removed from the riots in St Paul's

streets, has become a no-go area, both physically and psyarea, both physically and psychologically, for most of the city's population. My taxidriver advised me to "leave before it gets dark - otherwise, you might get rolled."

A psychological no-go area is when people without knowing an area dismiss it from their minds and do not consider its

minds and do not consider its problems as anything to do with the city proper.

one property developer I spoke to said: "The whole thing has been blown completely out of proportion. You are talking about a couple of streets and a couple of bundred Rasiafarians. These people naturally appears to him people to one urally want to live next to one another. To listen to the media, yon would think that whole areas of Bristol are given over

He had not been to St Paul's

or thought about developing there. He had heard that, when a film crew tried to film Mr William Waldegrave, a junior minister and Bristol MP, they were prevented from doing so by the jostling and unpleasant-

Mr Williams believes the publicity is disproportionate to the situation, but in a different way. The population is in the hundreds, rather than the thousands, but the area is only

35 per cent black.

To read the newspapers, Mr
Williams feels yon get the
impression it is an overcrowded, exclusively hlack ghetto buzzing with drug-takers and petty crime

He admits there is more crime than in the city at large, but says that unemployment is average of 3 per cent and

There are few amenities in the area, other than the pub and the cafe. For the young unemployed, there is a lot of

hanging around.

Mr Williams maintains that the drugs problem is no worse than in any other residential area of Bristol, but he does say that the police recently told him there was an increase in hard drugs' use, particularly

cocaine, in the city.

St Paul's is physically run down. Like other inner city areas, it has derelict empty land in between houses, pusbing up grass and used as unof-

ing up grass and used as infor-ficial rubbish dumps.

These areas, known in devel-opment jargon as "infill sites,"
would long ago bave been snapped up probably for offices, had they not been in St Paul's.

In a recent report, "Poverty in Bristol, An Update," St Paul's came top in the five criteria used to define depriva-tion. These are:

 Total unemployment Statutory supervision of children

 Electricity disconnections Free school meals

If St Paul's is the worst area,

St Paul's is a rundown inner-city srea, synonymous with racial unrest

it is by no means the only part of Bristol to suffer hardship. The outlying estates of Hart-cliffe and Withywood show up prominently in all five categories of deprivation.

The underlying point that

the report makes is that although Bristol bas become a successful service industry city in the 1980s, the cutbacks in local government power and spending, the erosion of the state generally and the unleashing of market forces in areas such as housing and planning has meant that the underclass has proliferated.

The report found that "both poverty and unemployment are worse and more widespread in Bristol than in the early 1980s and much worse than the mid-

The report will probably be dismissed in some sectors of the Bristol business community as the work of the rabidly left-wing.

But the report does show that Wee Margaret Photography

that Mrs Margaret Thatcher's so-called revolution also has a downside, particularly if you are without.

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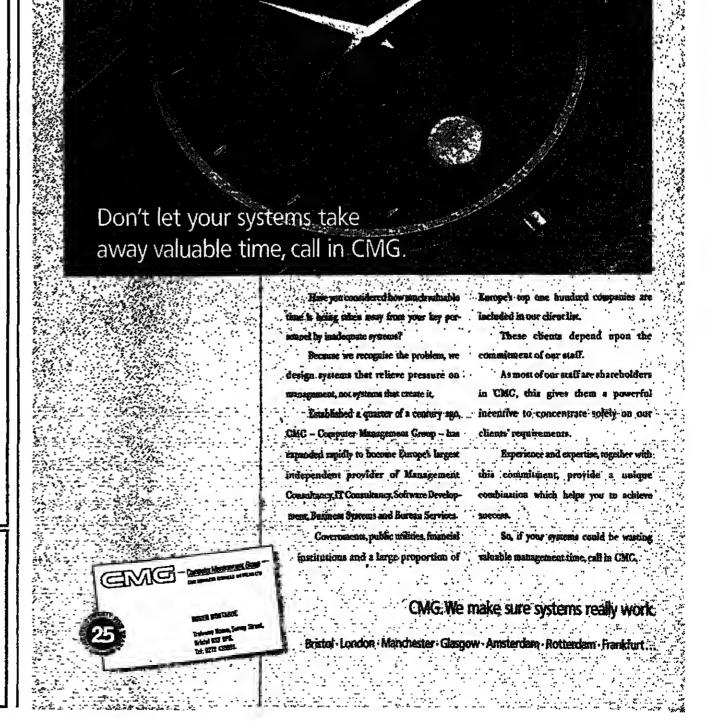
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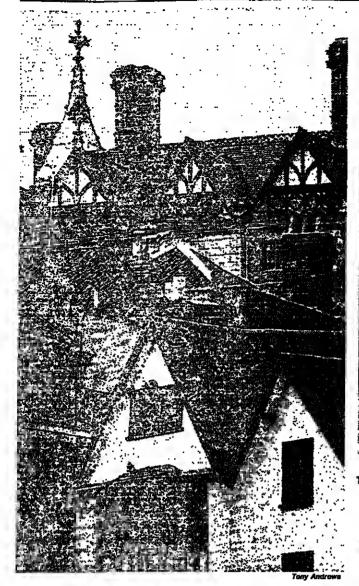


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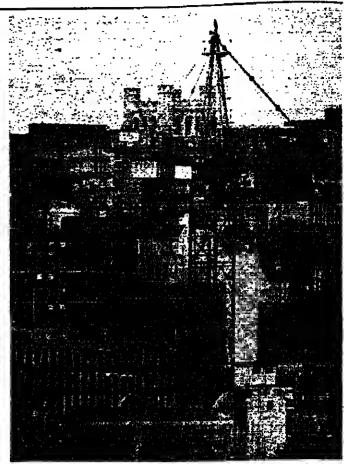
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The planners have tried to encourage mixed developments of residential housing, leisure and industry . . . new homes in Bradley, Stoke (left) and office growth in the city centre

The council wants low cost housing; commercial pressures make this difficult, says Stewart Dalby

Waterfront adds glint to the developer's eye

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THERE WAS a time, not so long ago, when it was possible for managers or lawyers and accountants to sell np in London, follow their company which was moving to Bristol, huy properties similar to the ones they had in London and

find themselves with some cash in the bank. This is no longer the case. While it might still be the case for someone selling up in Lon-don's Knightshridge or Chel-sea. But for outer London and less salubrious parts of the capital, there is now hardly a differential with Bristol.

There has been a huge influx of service-type companies into the city in the past 10 years. Bristol, huilt on hills, with a river running through, and some lovely old buildings, is a very nice place in which to

Its attractiveness as a centre in which to work has been a important factor in drawing in

so many companies.

There has been a great deal of office huilding and probably not a commensurate amount of residential huilding. Bristol has a population of more than 400,000 and 150,000 commute in

every day. In Georgian Clifton – the area of Bristol huilt right up on a hill beyond the university, and above the River Avon three bedroom houses go for £200,000 and upwards. A two bedroom apartment in a large converted Georgian house would cost at least £100,000 and perhaps £150,000. Bedminster, the dormitory

suhurb on the south of the river where the Wills tobacco company huilt thousands of terraced back-to-back houses in the days when great companies

"Bristol is the up and country expiral for the subsence industry in Britain, then is a people driven approximation and we full the city may like heat piece in the country to meet and cleal with the top contexts in the industry." App. Systems USA

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huilt "social housing" for their workers, has been partly rede-

It is possible to get small houses for £50,000, or larger three hedroom semi-detached houses for £70,000. Prices for houses on develop-ments in outlying areas and villages would be roughly simi-

The Left-wing council has

been concerned about the pro-fusion of offices in the city cen-tre and at times has tried to arrest the growth. The position of the city's planning department is that uncontrolled office huilding

strips the city centre of life. It encourages traffic congestion as thousands drive in to work, and means that what industry is left in Bristol is priced out of the town. The city's planners have tried to encourage mixed devel-opments of housing, leisure

and industry. For various reasons the council has only been partially successful in getting balanced development. In housing very

few low cost units have been built in the city centre.

Bristol is influenced by the fact It has a river. In the 1980s any town in Britain which has water frontage hrings a glint to the developer's eye. There are usually derelict warehouses to convert into flats and offices

Almost inevitably, develop-ments along the River Avon have been what developers refer to as quality housing, and the Left-wing councillors call

and unused land to be snapped

yupple housing. Some of the complexes at Broad Quay, Baltic Wharf and Merchants Wharf are, indeed,

Economic Development,

City of Bristol, Cabol House, Deanery Road, Bristol 8S1 5TH. Tel: 0272 223783 Feb: 0272 223500

BRISTOL ECONOMIC DEVELOPMENT OFFICE

BRISTOL

very attractive. But the housing units are hardly cheap. A house, or a penthouse prop-erty, would sell at the same rate as Clifton properties namely £250,000. A flat would cost £100.000.

Very little is happening in this market at the moment because the steep rise in inter-est rates has left the so-called yuppie occupiers stretched. However, there is an underlying shortage of this kind of housing and prices seem unlikely to drop.

> The planning department says uncontrolled office building strips the city centre of life, encourages traffic congestion and means that industry is priced out of the town

As one developer put It: "Look, given the price of land on these kind of sites you can't build anything, not even a one-bedroom flat, for less than £50,000. It is no use the council pretending you can have low cost housing along the river. The sums just do not add up."

The council is now fretful that a lot more yupple/quality housing is going to be put up in the newly-designated Bristol Development Corporation area. The council has no jurisdiction was planning in this 1,000 acres. over planning in this 1,000 acre area for the five years of the

corporation's life.
Mr George Micklewright,
chairman of the city council's
housing committee, referring

Last summer it had 141 fami-lies in hed and hreakfast

to the corporation says: "One developer says they are going to throw in 300 social housing

units in a certain development

These might have joint owner-

ship between the occupier and the council. But we are not sanguine they will keep the

Meanwhile, Bristol has a

growing underclass problem. Not only is there a shortage of

yuppie/quality housing, there is also a dire shortage of low

cost housing. The council now has 12,500 on its waiting list.

accommodation. Bristol is heginning to develop its own cardboard city with people sleeping rough.
The council has not built one
new house in the past year
because, it says, the Government has starved it of funds.
It still has 38,000 properties
and it is pring the 560m form

and it is using the £40m from council house sales for repairs to the existing stock, it is not enough money and the council is not supposed to be using it for this purpose. Next year there will be less money.

As Mr Micklewright puts it: "The Government does not have an answer to the problem of low cost housing. In the past it has had to be built by the public sector. The private sec-tor, including housing associations, just will not or cannot build it."

Just as the residential sector has trailed behind office building, Bristol has fallen a little behind in retailing. Whereas virtually every other main town or city in Britain has its multi-storey shopping centre with adequate car parking, Bristol has got the 1950s Broad-mead centre. This frankly

managed to pull in quality Anyone wanting to visit Habitat or Next or bookshops would have to go up the hill to Queen'a Road. In effect this meant there was no one-stop

unattractive complex never

Attempts to extend or improve Broadmead were ham-strung hy the fact that the Avon County Council deals with five district councils. North Avon was very keen to build an out-of-town shopping centre at Cribbs Causeway on land owned by the Prudential with Marks and Spencer as the head department store.

Bristol, on the other hand, wanted to huild the Galleries, as an extension and enlargement of Broadmead

In the event, Bristol won. Cribbs Causeway is on ice; the Galleries, a multi-storey structure on land owned by the Nor-wich Union, is going ahead. The Galleries, which ahuts directly on to Broadmead, com-prises 325,000 sq ft of shopping and parking space on a 5.5 acre

site. The development, which should open early in 1991, will

have cost £110m.

There will be four department stores and 112 other units. Among companies and organisations which have taken units are Laura Ashley. Boots. W. H. Smith. Reject Shop and the Post Office.

In addition, units are under offer to retailers including Zales, Sears, Leading Edge and

Most important, in heavily-congested Bristol, there will be parking for 1,200 cars. What happens next is

intriguing.
Developers in the city want to concentrate on the Bedger Centre which is a stone's throw from the Galleries. At the moment this is a hus depot but it has the potential to be another 320,000 an ft shopping complex with parking for 1,000

It could in theory link up directly with the Galleries. This would involve pulling down the Avon County Council building, a high-rise which few people seem to like. It would also entail building a tunnel or walkway from one complex to the other. This should not be impossible.

However, a public inquiry into Cribbs Causeway is due to reopen soon.

It may eventually be decided that Bristol has enough inner city shopping and that some out-of-town sites might be desirable. Either way the city seems destined to catch up with other British towns of similar size.

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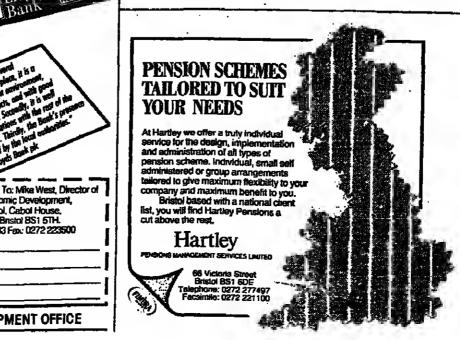
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industry in Bristol is a tale of

It is a dichotomy of viewpoint well illustrated by the first edition of the Bristol Economic Bulletin, published by the Bristol Polytechnic for the local ousiness community. It carried the bold headline "Booming Bristol". But that was not the whole story, for the economists were minded to add a question mark.

Why the addition? Bristol's manufacturing image is, surely, one of considerable buoyancy. A seaport awaiting 1992, a prospective Channel tunnel railhead, the nation's new "motorway port", the self-proclaimed "Blue Chip City", and the heartland of the UK aerospace sector, are just a few of the varieties of success

Add to these the environ-mental benefits which are sure to prove attractive to the mod-ern executives of the footloose industries and the great aerospace complex at Filton, where Rolls-Royce and BAe provide the biggest concentration of jobs in the sector in the UK. Within the city the Bristol Development Corporation is planning \$700m-worth of development pledged to providing a "robust heart" of new manufacturing industry; new factories for solid husinesses. under-the-arches" squalor

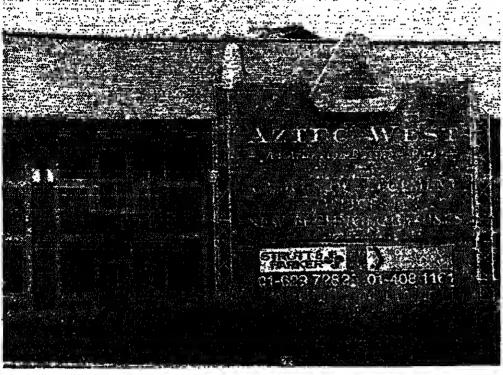
replaced by new enterprise. But there is an alternative view. The components of this view of Bristol are quiet different. Here we see the city facing west, across the Atlantic, its mercantile tradition severed and its industries poorly placed to connect with the golden triangle of Paris, Bonn, and Milan, while its narrow labour market is being mopped up by the service sector.

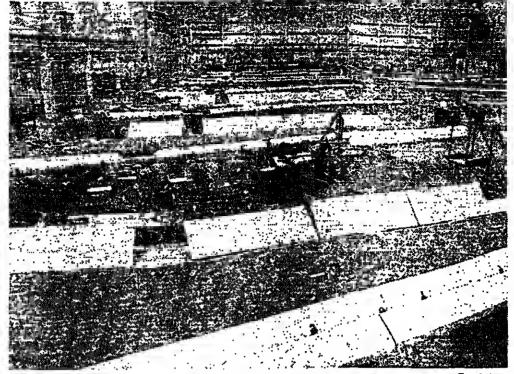
Here we see the traditional industries which flourished as part of the triangular slave trade with Africa and the New World: such as tobacco, food and drink, and paper packaging, struggling to find new markets and new products. Meanwhile the manufacturing heart of the region, aerospace, depends on Ministry of Defence contracts which are increasingly open to competition, undermined by the outbreak of peace in Europe, having been only briefly invigorated by the

In the city centre there are fears, widely expressed and strongly denied, that the development corporation will create a ghetto of waterfront pnbs and designer offices whose high rents will drive out the old manufacturing businesses of the St Phillips district.

Observers are divided about the health of the city's economy. Jim Kelly weighs the pros and cons

Commercial doubts in a tale of two cities





Perhaps there is a third view which sees the next decade as the crucial test of Bristol's ability to adapt: 10 years in which the optimistic view can triumph over the harsh realities of the city's fragile manufac-

The facts reveal the vulnera-

success - it has achieved a kind of polarised success." He sees the city's popular image as a high-technology magnet to be founded on the move to the region of Hewlett-Packard, the company founded by the partners who started the technological revolution in

The next decade may test Bristol's ability to adapt: 10 years in which the optimistic view can triumph over the harsh realities of the city's fragile manufacturing base

ble nature of the manufacturing sector. In 1971 one in three jobs in Bristol was in manufacturing; in 1986 it was less than one in four. In 1986 there were 69,700 people working in manufacturing in the area; 19,000 of them in aerospace; out of a total workforce of 291,000. The fall in manufacturing jobs between 1971 and 1986 is estimated at 35 per cent. Mr Keith Bassett, of Bristol University's geography department, co-author of a study called Sunbelt City, believes

California 40 years ago. But, Mr Bassett maintains that hitech developments such as the Aztec West estate off the M5 lack cutting edge technology and that the majority are either branch plants or servicing and assembly operations. Mr Bassett would maintain that excluding aerospace related hi-tech companies reduces Bristol's strength in the sector below the national average and points out that academic estimates in the sector are always below those made by the city council. He also queries role of Bristol's

ports, at Avonmouth and Royal Portbury Dock and points out that besides the developments of Fissons, RTZ, and ICI the wave of dock-related develop-ment has failed to appear.

pens in the national economy. I can't see any revival in the base if present policies con-tinue," he says of the future. Mrs Susan Marshfield, Executive Manager Representation and Administration, at the

Bristol Chamber of Commerce, says simply: "The city is very top heavy in services, to the detriment of the area."

She feels that the development corporation will be under

pressure to extract maximum planning gain during redevel-opment and that will mean a heavy emphasis on honsing and offices. And she is worried and offices. And she is worried about the "very, very, heavy dependence on the defence industry", any decline in which would produce a "tremendous knock-on effect."

She depicts a north-south divide in the city, a mirror image of the national picture.

image of the national picture. with the second generation long-term unemployed isolated to the south away from the

expanding hi-tech fringe to the north. With a tightening labour market and a mismatch in skills she sees substantial progress only in the arrival of mass production industry.

t for Du Pont, the international electronics industry supplier, Bristol's hi-technology

image is a reality.

The company is about to develop a site at Filton, opposite the Polytechnic, and close to Hewlett-Packard. Robert Jennings, site manager for Du Pont in Bristol says: "Du Pont sales to the electronics industry have increased from aboot \$1hn in 1984 to \$1.8bn in 1988 well on the way to the forecast \$3bn by the mid 1990s. The new Filton plant will play a key role in this continued expan-

it is close to many of Du Ponts electropics customers, because it has a good supply of skilled labour, is served by good trans-portation to the rest of the UK and because it is an attractive environment for electronics engineers and other key work-

Mr Jennings is clear that the new factory will provide a

"cutting edge" to Du Pont's development and that it is part of a policy to move research

Close to Royal Porthury Docks is Ashton Corrugated part of the Otor Group of France. It is another example of real progress; this time in a traditional manufacturing

through the docks from Scandinavia and France. Reorganisation and investment have produced a 33 per cent increase in productioo in two months and Mr Ken Har-

vey, managing director, who There are fears that the development corporation will create a ghetto of waterfront pubs and designer offices whose high rents will drive out the old manufacturing businesses

industry revitalised by invest-ment and new products. Ashton, part of the Imperial obacco group for many years, has had six owners in six years and has struggled for survival, It was originally part of the paper industry which grew up to provide packaging for prod-ucts such as cigarettes, now it provides packaging for ciga-rettes exported to the Third

Deserting an old factory which was nearly as old as the century it has a new plant out

flies to Paris for board meetings once a month, says Bristol's excellent transport links ensures the competitiveness of

of the city, has a 3 per cent

share in the £16m corrugated paper market, and has begun

taking its raw materials in

"lean" husiness. Mr Colin Truss of the City of Bristol's Economic Development Office is sure that the city, having "pinched" Hew-lett-Packard from its government-ordained location in an assisted area, can continue to draw hig investment from

An £8,000 feasibility study is now underway into Bristol's

application as the UK's Inter Modal Clearance Depot for the Channel tunnel, in competition

with Liverpool and Leeds. But in the Bristol Development Corporation he sees a "conflict" between the corpora-tion's limited life and the need to care for Bristol's long-term development as a manufacturing ceotre. He fears for the future of those companies which may he required to move within the corporation's

In 1992 he sees a great opportunity for Bristol as companies from outside the EC try to beat the deadline in case trade bar-riers are introduced to protect the single European market. The Bristol Euro-Info Centre, opened this month by the Chamber of Commerce, is the front counter for the perceived new market

Mr Miles Collinge, chief exec-ntive of the Bristol Development Corporation, says that the establishment of new man-ufacturing industry in the 900 acre corporation zone is a high priority. Manufacturing, he insists, will flourish as part of an improved environment and that those who criticise this approach suffer from myopia.

He says the corporation is interested in high valued-added businesses, in sectors such as hi-tech, media, and medical supplies, and also in the reduc-tion of pollution. With six kilometres of waterfront property, the area will boast a diversifi-cation of land use: "It will be a clty within a city," says Mr

And at the core of Bristol's manufacturing base, at Filton where Rolls-Royce and BAe produce hardware for the military sector and carry out research and development, both companies are certain they can diversify and survive in the 1990s.

This is against a background of a revolutioo in MoD procuremeet which has seen noo-com-petitive tendering decline from per cent of the total in 1983/4 to 47 per cent 1986/7.

A spokesman for Rolls-Royce confirmed the company's determination to be more competitive and its interest in overseas markets and oew products:
"We have not got all our eggs
in one basket."

Meanwhile at British Aerospace, while employment in the military hardware sector has fallen, the commercial aircraft subsidiary is in good bealth. Expansion in the Airhus programme is expected to bring growth which will see an increase in the 5,200 employees in the division.

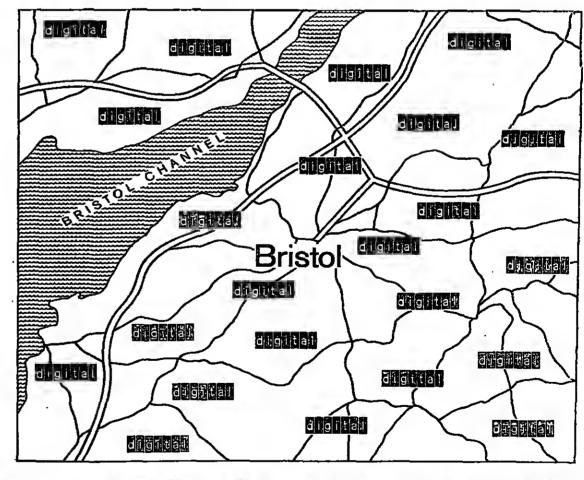
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Norman Bruckland samples retailing initiatives and strategies

Shopping for more variety



The city centre: council projects aim to open up, revive and bring greater variety to the area

AFTER YEARS of uncertainty, important decisions for shop-ping in Bristol are likely to be

Mr Chris Patten, Secretary of State for the Environment recently made material changes to the county structure plan for retailing. Now a five-week public inquiry is examining an application to add a large regional shopping centre to the warehouse park and hypermarket at Crihbs Causeway, close to the M4/M5

Only five miles away, in the City centre, Queen's Road and Park Street survive, much changed, from the 1930s. The Im sq ft of post-war Broadmead, now beset by the traffic flows of the 1980s, house many of the national multiples, sell-ing mostly to customers who live in Bristol. The city council wants to open up, revive and bring greater variety to the Earlier this year, it published its latest proposals. Ladbroke, with Norwich

a quarter of Broadmead, to reopen in 1990 as The Galleries The council's "Broadmead Initiative" adds three specific projects for an early start. These would raise the total trading space by half, include greatly improved transport and pedestrian access and give virtually direct entry from the M32 for the population of north Avon and sonth Gloucester-shire. The standards of covered, climate-controlled com-fort, quality and style now being set by The Galleries would be followed. This expansion would, in turn, allow reconstruction and revival of the remaining area, each stage being dependent on the one before.

Success for the Broadmead Initiative depends not only nn developers and planning poli-cies but on the commitment of retailers to the city centre for an expansion of what the trade calls comparison shopping where choice, cost, taste and technical performance, are specially important to the cus-

These are also precisely the characteristics of successful out-of-town regional shopping



n: changed the county structure plan for retaill

with choice and competition from both multiples and inde-pendents, large and small.

Both geography and road communications make Avon appropriate for such a centre. Cribbs Causeway and other sites have been identified. The unresolved question is whether the market is hig enough to support both city and regional development. And, if not, which should prevail?
A review of the county struc-

A review of the county structure plan has revealed marked differences of opinion (often reflecting their particular interests) among the local authorities, the retailer representatives and the developers. Notably, the county, the one authority with responsibility for the whole area, has supported the city's wish to discourage a regional centre. The city fears that it would divert up to 20 per cent of capital

up to 20 per cent of capital commitment and custom from Broadmead, putting at serious risk the next three develop-ment steps and all that is to

follow from them.

Yet a Department of Environment policy guideline has
stressed the importance of enlivening inner cities and enabling town centres to com-pete effectively with other

town interests have claimed that it is unduly restrictive to prevent new development because of options which are by no means certain or close to

Mr Patten, accepting the concerns of both sides, has required a careful balance to be struck in a positive defini-tion of firm and clear criteria for acceptable regional scale shopping proposals. He has amended the structure plan accordingly and it now says accordingly and it now says that a regional shopping development will normally be permitted if, along with any others, it will not seriously affect the vitality and viability of the centre of Bristol, or of Bath, or of Weston-super-Mare. Access by both rubble and access hy both public and private transport and the absence of unacceptable vehicular or pedestrian traffic conditions

are required.

How will the parties react? Most traders and their advisers are for the present reluc-tant to take a public stance. Marks and Spencer, confi-dently, is both prominent in Broadmead and committed out

The councils will need tn reconsider their position. County and city saw the future

significance than the evolution significance than the evolution of retailing alternatives. They are being asked to adopt a bal-anced approach.

The district councils of Nor-

thavon and Kingswood, both supporters and possible benefi-ciaries of alternative develop ment, must acknowledge the express protection of town cen-ire interests which Mr Patten has introduced to the amended policy. All authorities will no doubt reconsider the best interests of the public in the light of that redefinition.

Nobody - landowners, developers, operators or cus-tomers — is likely to gain from still further delay and uncer-

Perhaps the worst outcome would be a long, costly and hypothetical debate on what would represent a serious threat to a town centre.

The ont-of-town lobby has always argued that the market can sustain both projects.

It could demonstrate its confidence by enconraging a whole-hearted initial commitient irom retailer Broadmead Initiative, the city in its turn responded by accepting the timely addition of regional facilities for a still growing population.

Evolution, not conflict, may be the answer, especially if the main obstacle to a successful regional shopping application could be its impact on the more fragile future of Weston-Super-Mare as a resort and retirement centre, rather than on the robust communities of Bath and Bristol; and espe-cially since the outcome is likely to affect much more

than shopping choice.

For example, shopping strength is but one vital part of the overall plans for Bristol's city centre.

It may be the keystone but there is a need to strengthen the general appeal and conve-nence of the city to the tourist and to the office working population. There is a need to create a place where the recreational life of the city can flourish and to foster its use, in a complementary way, for working, tourism, leisure and shopping for over twelve hours a day. This is the wider context of the Broadmead Initiative. **TOURISM**

Choking on its popularity





Fourists flock to attractions such as King Street (left) but help cause congestion: traffic on the Severn Bridge (right)

BRISTOL IS in two minds

about tourism.

The left-wing city council is wary of promoting tourism as a husiness because it feels that the net income more travellers would contribute to the city's economy would not necessarily be worth the problems caused by the added congestion and

Unusually, therefore, for a large, attractive, British town with a rich history Bristol does not have, a tourism strategy.

not have, a tourism strategy. In conjunction with the English Tourist Board signs have been put up in the city pointing out the landmarks.

The question of extra visitor traffic has been touched on in the leisure section of the "Bristol City Centre - draft local plan." There is some talk that the English Tourist Board and Bristol City Council who between them draw np an action plan similar to those drafted for other heritage drafted for other heritage towns like Norwich. But at present there is no overall

This is mainly because Bris. tol has large numbers of visitors already. During the week the hotels are crammed with businessmen and women. In the past decade Bristol has become a white collar city with service companies setting up or expanding in the town. The trains bringing them from Lon-don, in particular, are full most days of the week.

At weekends, friends and relatives coming to see the vast number of students in Bristol populate the guest houses and smaller cheaper hotels. Bristol has become a con-

gested city because thousands commute in every day to work in the offices which have been built at a great rate in the past decade. Parking is difficult. The roads structure inade-quate. Once the Galleries shop-ping centre opens in 1991 there will be one stop shopping around the central Broadmead

around the central Broadmead area in a way that has not been possible to date.

Does the council really want to encourage another group of visitors such as conventional tourists, who would put an added strain on the city ser-vices but not necessarily add greatly to its economy? greatly to its economy?

There could be some gain in

jobs created but the big hotels are already finding it difficult to attract and keep good staff in a tight labour market.

The last time the council looked at the figures was in 1985. Then, it estimated there were 1.26m staying visitors and 1.4m day trippers. Well over 16 per cent of the staying visitors were businessmen and women. It was reckoned that the

gross input to the local econ omy was between £86m to £91m. The net amount retained in Bristol was put at between \$22m to £32m. It is these figures which rankle with the council. Being of a left-wing persuasion the city council is inclined to look at tourism as a

form of multinationalism or

At the heart of the city is the cathedral. It was founded as an Augustinian abbey in 1142 but refounded at the Dissolution of the Monasteries in 1542. Walking up Queen's Road at the city centre there is the university and lots of quality bookshops. Bristol was a thriving business city in the 14th century, 300 years before the Industrial Revolution and lots of distin-

ingly lots for him or her to do.

As Mr Stone puts it: "Bristol is

still a very attractive city. It is virtually self promoting

At the heart of the city is the

volution and lots of distinguished buildings bear testimony to this. Corn Street, how ever, described as the grandes street in Bristol owes its ele-gance to 18th and 19th century commerce with lots of ornate

bank buildings and exchanges. The suburb of Clifton is of

course, almost entirely Geor-

gian and there is the stunning

Clifton Suspension Bridge.
As for things to do there is the Bristol Exploratory which is a new "hands on" exhibition

of technological discoveries. The riverfront has been ren-

enlarge Bristol's harbour and is now lined with 19th and 20th century commercial buildings, many of them, including the Watershed, have been con-verted to leisure uses.

From the Arnolfini Gallery, a well-knnwn contemporary arts centre, housed in a tea warehouse of 1832 you can cross the floating harbour on a turntable bridge to Prince's Wharf. Here are the National Lifeboat Museum and the Bristol Industrial Museum.

Bristol has one of the best provincial theatres in the coun ational reputation. Apart from the attractions of

the city itself, it is an obvious stopping off place for what sur-rounds it. Bath, probably the best preserved Georgian city in Europe is easily accessible. So too is the lovely cathedral town of Wells in Somerset. There is Cheddar Gorge and Wookey Hole an impressive chain of caves cut out of dolomite conglomerate rock.

Further afield along the M4. is the Welsh hinterland and to the south, down the M5, is all of Devon and Cornwall to explore. Bristol sits at the confinence of these two motorways. More tourists to Bristol in the 1990's seem inevitable.

Stewart Dalby

Bristol has become congested because thousands commute to the offices which have been built in the past decade

branch factory activity. It might create a few jobs but the goes to corporate HQ in Tokyo. In spite of these reservations

the council has embarked on drawing up a strategy. Mr Ian Stone, an assistant to the chief executive at the city hall has been put in charge of the proj-

What we are doing for the moment is trying to assess more accurately just what tourism does for the city. How tourism does for the city. How many jobs it creates. How much money is spent. Above all, just what is the net contri-bution to the economy.

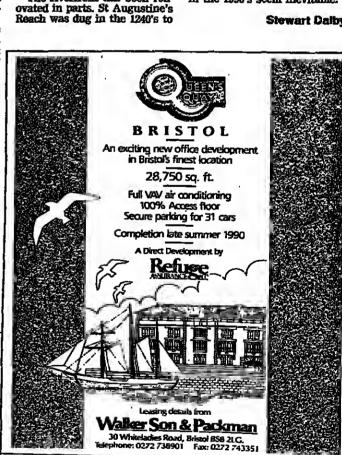
"We have to weigh this against the cost of more con-gestion. The cost of clearing up

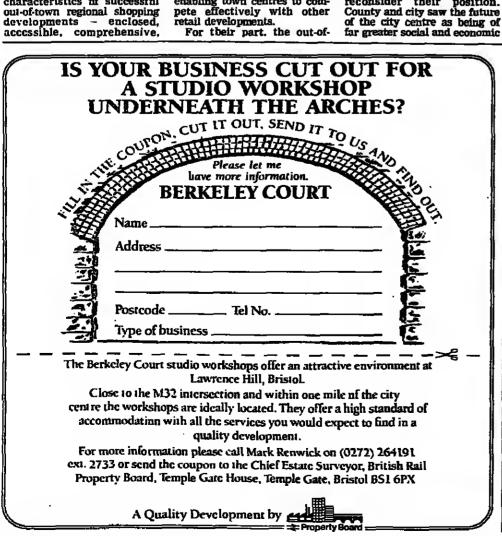
the litter on Mondays if we get tourists flooding the city at weekends like Bath. We have to ensure that Bristol remains a pleasant place for the resi-dents" he save

dents," he says.

Although it is early days in terms of council assessment, it terms of council assessment, a seems likely that more tourists particularly those coming for weekends will be encouraged. The big hotels which are empty at the weekends would love to have more business to help cash flow.

Bristol really is a natural for tourism as there is lots for the visitor to look at and increas-







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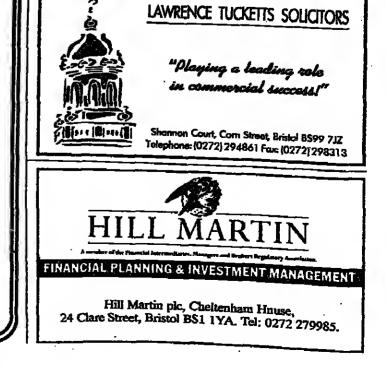
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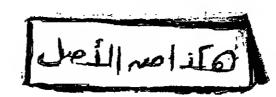
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Anthony Moreton examines the changing role of a provincial stock exchange

The popular face of capitalism

HANGING ON the wall in the downstairs room of the Bristol stock exchange, now used for meetings and lunches rather than for any dealing, is a fine portrait of Benjamin Spry Stock, president of the exchange in 1895, seven years before the Edwardian building was opened

The name Stock is still to be found in the world of stock-broking in Bristol: Stock Beech is perhaps the leading broker in the city, certainly the only market maker among the

seven operating today.

Old Benjamin Spry Stock, even in the last days of Victoriana, was a venerable figure. He would hardly recognise either his firm or the market in Bristol today. tol today. Stock Beech has become part

of the British and Common-wealth financial services group and now occupies a floor of the all-glass, all-technology Spec-trum building where the screens dominate everything. He would hardly recognise the exchange. The dark panel-ling remains as do the pictures of the exchange's outing to the Bristol Tramway company. But the elegant dealing floor is now an administrative office and the emphasis, according to Mr Peter Barrow, the manager, is more on its educational and

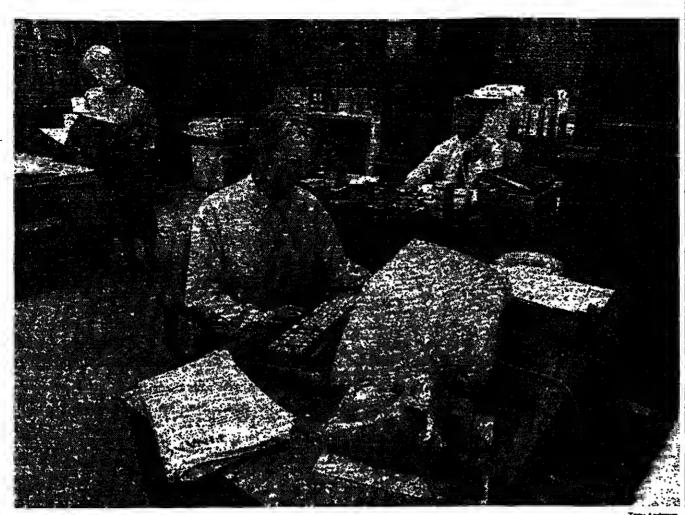
information functions. The modern face of stock-broking in the city is perhaps best seen in the big Deben-bams store in Broadmead. There, on the fourth floor, next to the restaurant and behind the furniture, is Debenhams Investment Services' Share-

Here, the shopper or investor can see the screens, get the latest share price, seek advice or buy and sell. There are no doors to go through, no formal-ities. This is capitalism with a popular face, and it is "doing very well", according to Deben-hams.

The Bristol ShareCentre, opened in August 1987, is one of two in the country. Debenhams, part of the Burton group, is a member of the stock exchange and decided two years ago to indulge in a little popular capitalism. It put one ShareCentre into its Oxford Street flagship branch in London and the other in

Bristol has an active stockbroking community even if the exchange itself has more of a representational than functional role. It has seven broking firms now that both Laing & Cruickshank and Dartington have pulled out.

Laing & Cruickshank and Dartington were not active players, however. The Laing had an office just inside the front door of the Bristol and



The dark penelling in the exchange remains but the elegant dealing floor is now an administrative office

West Building Society's building, but, unlike Debenham, it was not really looking for a cross-payement clientele. It was seeking the more sophisti-cated investor, someone with a portfolio or wanting to build one, rather than those into a privatisation stock for the first

The community is domi-nated by four firms: Stock Beech; Allied Provincial (per-haps better known in Bristol as Laws); Brown Shipley Stock-broking, which used to be Heseltine Moss; and the National Investment Group (previously Hillman Catford Board). The smaller players are Avon Stockbroking and Greig

Middleton.

The loss of independence among the big firms, a reflection of what happened nationally after Big Bang in 1987 rather than simply a Bristol phenomenon, may have led to a diminution of some of their

All the back office work of the National Investment Group, for instance, is handled in Cardiff. But it has also

enabled them to cope with changed conditions more eas-

inclined to handle the private client. Many firms in the City have taken themselves right out of this sector and others have discouraged the work.

row, is that deals can be han-dled faster and payment conse-quently made more quickly. "Our brokers certainly get a quicker payment from the system," he says. That, of course, is a settlement system based on paper. When Taurus is introduced - sometime next year, it is hoped - clients will

Bristol has an active stockbroking community with seven broking firms even though the exchange itself has more of a representational than functional role

This has been to the benefit of cities such as Bristol, which can still offer the individual service that the smaller investor both likes and has come to

expect.
Bristol, too, can offer much cheaper dealing charges than almost anyone in London. At Debenhams' ShareCentre, for instance, the cost is £22 for for instance, the cost is 121 for each individual operation (many small investors fondly believe they can buy or sell, say, four shares for £22 only to find their bill is £88). Even so, this is under half the going

rate in London, which is now

receive a quarterly or halfyearly statement of their dealings rather like a bank state-

The exchange will then be freed from part of its administrative work and be able to spend more time on its educational and informativa roles. As in London and other broking centres around the country Bristol has suffered

Barrow, an air of wait and see. "We picked up well after Big political and economic situaing a considerable restraint on

The firms were busy until May or June of this year but since then there has been a turn down in the level of activity and few of them expect any big change of direction before the new year.

This is not a particularly affluent time for Bristol, but it is only reflecting a change that has taken place in broking activity in the country as a whole. Business is much more centralised and with the coming of advanced technology there is no need for a dealing

Bristol's life as a dealing centre ended, as with most of the other provincial centres, in the mid-1960s when it became part of the Midlands and Western group. Even then it was in effect only an inter-broking centre, that is with no stock

What, one wonders, would old Benjamin Spry Stock have made of all these changes? It's a long way from both the society and the broking commu-nity he worked and lived in to today's environment.

Debenhams' ShareCentre may still be the exception among outlets, but if American it is probably the shape of the



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Demand continues

DEMAND FOR office accommodation and industrial space in and around Bristol shows no sign of abating in spite of several years of very strong growth which have seen office rents triple.

Bristol has become a white

collar society in recent years with lots of service companies relocating to the city. This has not been especially because the local authorities offered incentives to banks, insurance com-panies and the like to move to Bristol to fill the jobs shed by

in the 1960s when companies started to move out of London because it was becoming too expensive. Bristol was an obvious magnet for two types of companies, the service ones and distribution concerns. Rents were cheap, communica-tions with London excellent, and Bristol was a very attrac-tive city in which to live and

work.

Arguably, Bristol is now a less pleasant place to work in with the appalling traffic congestion, but the companies have never stopped arriving. Lloyd's bank is building a new headquarters which will create over 1,000 jobs many of them locally.

In spite of the city being more or less fully developed, the demand for office space continues. It comes not just from newcomers.

"The fact is, that demand for business space continues very definitely to be occupier led." says Mr Bob Durie, a partner in J P Sturge, a leading agent

and property manager.

Mr Durie estimates there are enquiries from both local and national companies amounting to over 2m sq ft of office space. The vacant stock of offices is less than 100,000 sq ft in the city centre. But there is 1.4m sq ft of business space being constructed out of town. Rents in the city centre are pushing \$20 a sq ft for new space and \$14 a sq ft for refurbished situ-

Mr St John Hartnell, the Senior Partner at Hartnell, Taylor Cooke, another leading agent estimates that the take-up of office space has been over 500,000 sq ft a year for the past three years. There seems little doubt that new office space under construction will be snapped up. Over half of the 1.4m sq ft being constructed ont of town will be pre-let before completion.

One consequence of using out of town for offices means it is being denied to the indus-trial and warehouse user. The supply of land for regional warehousing has virtually dried up. This has meant rents have been pushed up to between 24 and 25 a sq ft.

There are number of busi-

ness parks being developed around Avonmouth and south dssignation. This means, strictly speaking, light industry, but in practice they can be used as offices. The emphasis on developing

offices is not difficult to under-stand. Land for industry usually changes hands at £200,000 an acre, whereas land for B1 or office type developments can fetch £750,000. The difference in rents is considerable, so developers naturally go for

office projects.

In theory there should be enough land for to meet indus-



Durie: enquiries for more than 2m sq ft of office space

trial demand as well. A paper drawn np for the county authorities identified 1,436 hectares which could be used for industrial purposes in Avon. Of this 557 was in Bris-tol. However, for one reason or another to do with infrastruc-ture, drainage and access only 130 hectacres in the entire county will be available by the

The city centre, with the notable exception of Canons Marsh, a 15, 18 or 19 acre site

Arguably, Bristol is now less pleasant to work in with the traffic congestion

on the River Avon depending on who you talk to, is now very short of space indeed. The local authorities and the various owners have been haggling for 10 years on how this prime site should be developed. The city council, which is

left wing, although no longer hard left has been concerned not only about Canons Marsh, but by the headlong developof housing and industry.
The Council has at various

times tried to impose limits on office building, and encourage more mixed developments. Usually, this has been to no avail. Developers have gone over the heads of the council and appealed to the Depart-ment of the Environment. successful.

One of the consequ the barely controlled bias towards offices has meant hopeless day-time traffic congestion. Some 150,000 people now commute into Bristol each day, many of them one to a car. The infrastructure will not stand this kind of influx and there simply are not enough parking facilities.

Bristol is beginning to develop London-type problems of unlettered private sector office development taking precedence over proper, planned public sector spending on roads rail, parking and pollu-

True, office rents are still cheaper than London, but at £20 a sq ft they are catching up

Then there is the question of rates. Next year there is the rates revaluation. At present many business rates are based on 1973 valuations. This is to be updated to values as of April 1988. Although, existing ten-ants will have a phasing in period of several years, tenants taking on premises after April next year could face a doubling of their rates bill overnight.

The cost factors could encourage companies to move out of Bristol or not move into Bristol for the same reasons that they moved out of Lon-

There is no sign of this hap-pening in the next couple of years, but thereafter the city could start to mature, as they say, as a service economy.

One straw in the wind is the recent decision by Clerical and Medical and General to extend its regional headquarters by developing the former Hales Cakes factory at Clevedon, on the south-west side of Bristol. Mr Durie feels this kind of exodus could become a trend.

Stewart Dalby

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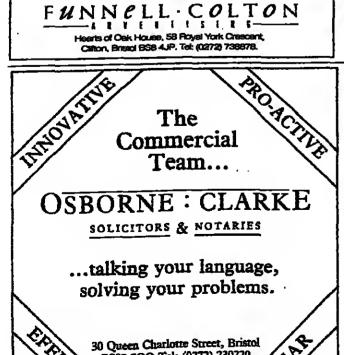
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The return of the tramways

THE SECOND stage in the plan to bring a tramway system, more properly a light rall-and Reading. plan to bring a tramway sys-tem, more properly a light rail-way, onto the streets of Bristol takes a step forward with the presentation of two private bills in Parliament on Novem-

These Bills will, when they have completed their parliamentary course and been given royal assent, allow Advanced Transport for Avon th con-struct two lines. One is through the heart of the city and the other will link the centre to the two northern outly-ing districts of Bradley Stoke and Yate.

The first line, the bill for which passed all its parliamen-tary stages last May, allows construction of a line from Portishead into the centre at Wap-ping Road (coincidentally endring opposite the Financial
Times office in the city). Work
is expected to begin on this
line next year and the first
trams should be running by

trains should be ruining by the end of 1992.

Bristol is not alone in seek-ing to hring trams back to Brit-ish cities though it is among the front runners. Manchester certainly has the lead since the government announced in October that the government would meet half the £110m cap-

ital cost.
Sheffield is also awaiting a decision on a government grant and west Midlands (essentially Birmingham). Sonthampton and Leeds are well advanced with their plans. Among others considering bringing back the tram are

The process of introdocing a bill to Parliament is costly and slow. It is seemingly designed to strangle rather than encourage what many people see as an essential piece of infrastruc-ture investment if British cities are not to seize up through the weight of vehicles pouring through them.

The process is not dissimilar to the way in which railways were huilt in Britain in the last century. They had to be fought inch-by-inch through a landowning dominated Commons and Lords with the result that Britain had the most expensive railways in the world railways in the world.

It costs about £im to get a bill through Parliament. For a body that will not have much money until the line is developed, this is a large amount. The funding of the first bill and finance for the next two has essentially come form the has essentially come from the pockats of the directors of Advanced Transport for Avon whose chairman is Mr Richard Cottrell, the MEP for the area. Some of the developers have

also put up money.

What ATA would like is a commitment from the Govern-ment, of a capital contribution, private company it needs to keep the momentum going in order to secure the necessary backing from the private sec-

Developers are more likely to come in to the project the more they see something actu-

ally being laid on the ground. The signs are that Bristol will get something from the Government. The city most neatly fits the Conservative philoso-phy of a privately-led initia-tive. Many of the others are public-sector led and it would

suit the Ministry of Transport to be able to point to the effi-cacy of the private sector.

ATA has been encouraged by Whitehall to seek a Section 56 grant from the Department of Transport, which Manchester

has just received.

It appears that Bristol is being used as something of a stalking horse for government policies. Before the Government control of the con ment will come up with any funding the applicant has to demonstrate non-user benefit. This means that aid will only be given if it can be shown that those who do not use the tram system will benefit from it. in other words, it needs to be shown that traffic conges-tion will be relieved. That is not difficult to assert hat extraordinarily difficult to

quantify.

A Section 56 grant has to be matched by an equal contribution from the local authority and here there are problems

since ATA is a private body.

One method being privately canvassed is for the Government to underpin any comribu-tion Avon County Council might make.

In order to succeed, ATA must show the developers that things are moving. The local authorities by contrast want to play the scheme along. Rather

sponsoring a bill; building a line, then moving on to another bill; another line. The councils want to develop a strategy to look at the whole scheme and discuss how it fits into traffic and transport pat-

This inevitably slows the project down and reduces the momentum that a private body such as ATA needs to raise pri-vate-sector interest and capital As part paymasters the local authorities can call some of the tunes. Their involvement, after a negative beginning, is wel-comed within ATA. The scheme will stand or fall

in Bristol on its ability to generate funds from the private sector and he financially self-sufficient. To ensure financial rectitude the ATA has looked at the scheme from the back inwards. back inwards.

Most public infrastructure

Most public infrastructure projects get into tronhle, according to ATA's Mr Jack Penrose, through over-borrowing and the consequent rescheduling of loans.

"ATA started by seing what was the maximum figure that could be funded by revenue. We discovered it was 10 per cent. So we had to find 90 per cent of the capital cost of the project," he said.

"Our philosophy was that

Our philosophy was that property near railway stations was worth more than than away from it and so we had to find a way of turning this potential into capital. Our aim is to share the increase in capi-tal value with the owner and/



nal Lifeboot museum: the site for the terminal of the main tram system

or the developer. We want to co-operate with people who own the land." The line of the route there-

fore becomes crucial to its suc-cess. It has to follow, to a large cess. It has to follow, to a large extent, a course where finance will be maximised. "It is no good going down a street if there is no potential development value in it," Mr Penrose Rail to acquire the Avonmouth

the route in Bristol has been the route in Eristot has been subject to change as it has developed.

That philosophy is probably less important in the city cen-

tre, where there is ample devel-opment potential, than in the outlying suburbs.

To get a sensible route ATA has opened talks with British

ful will electrify it, putting in new stations.

Long term, it would like to talk to BR about a complemen-tary service on the main lines from Weston-super-Mare and Bath into Bristol.

For Bristol the wheel has now turned full circle. Most of our cities' transport systems were privately funded and it looks as though the next gener-

ation will also have a significant private input. Some 200 cities around the world, from Grenohle in France to Geneva in Switzerland, from Sacramento in California to Hong Kong, have opted for light rallways. The tram is coming back and Bristol looks as though it will be among the first in Britain to

Anthony Moreton on moves to bring prosperity back to the docks

Still life on the west coast

ON SEPTEMBER 14 the Atlantic Superior slipped through the lock gates into Bristol's Royal Portbury dock before unloading its cargo of 35,000 tonnes of rock gypsum from Spain

The shipment was the first destined for Redland Plasterboard's £38m production plant alongside the quay. The cargo and the invest-

ment are symptomatic of the new air of confidence that permeates the Port of Bristol Anthority Anthority.

A little more than half a lozen years ago the port faced a hleak future, saddled with

declining trade and mounting financial losses. Today, Mr Nasim Ahmad,

port director, offers an encouragingly hright view of the strategy for the port, and the last two years have shown it is the right one.
"Bristol can still be reckoned a major port and a profitable one. Recent investment deci-

sions have brought new life to

the port and the appearance of decay and dereliction have The gaunt, grey granary that stands right hehind Mr

Ahmad's office at Avonmouth is concrete evidence that not all the decay has been removed and the director is realistic enough to accept that Bristol will never again recover the sort of glory that made it one of the leading ports of the

The westward trade in wine, tobacco, paper and general foodstuffs that founded the fortunes of the Merchant Ventur-ers has disappeared as the main thrust of Britain's trade

ment of private capital in the largest municipally-owned docks in the country.

The effect of the decline of the traditional trades was exacerbated by the building of Royal Portbury.

The complex was conceived

The complex was conceived in the early 1960s but successive schemes foundered against the opposition of government. Eventually, a much reduced scheme at a much-en-hanced cost of £28m was accepted in 1970 and opened

The air of depression has gone: the volume of trade is rising and the port is back in the black for the first time in a decade

has moved eastward, towards

continental Europe. However, the air of depression has gone: the volume of trade is rising and the port is back in the black for the first

"Bristol has turned the cor-ner," Mr Ahmad says, "and there are two years of eus-tained movement to prove it." The change has been hrought about hy improved service, new investment in modern facilities, new work practices and the encourageseven years later.

Portbury turned into a millstone. It opened as British trade ehbed away from westcoast ports. The port went into the red and the dock's building costs became a financial nightmare. Bristol found itself with an accumulated debt of £48m, with capitalised interest

charges.
The docks were saved by the council amortising the deht through property sales else-where in the city and by the port authority developing a new strategy. Outside consul-tants were called in some three

tants were called in some three to four years ago and their report put into practice two years later.

"The corporate plan of action we adopted led to the downward trend heing arrested." Mr Ahmad says.

"And with the new investment drawn in from the private sector our share of the market began to jurn up. By 18889 we began to turn up. By 1988/9 we were back to hreak-even in terms of port operations and into profit financially for the first time for 10 years."

The core of the strategy was

for the port authority to improve the infrastructure through capital spending on lock gates, transit sheds, mobile equipment and general quayside facilities and to encourage selective private-sec tor investment, especially in dedicated facilities for customers' own use to handle bulk

The arrival of the Atlantic Superior last month proves the ess of the strategy. Redland spent £30m on a 30-acre site allowing the cargo to be discharged directly from the ship via an overhead conveyor

into the plant.

At the plant the gypsum will be processed into plasterboard and other huilding materials. Redland is expected to unload some 850,000 tonnes of cargo a year directly into its works. Other investments have taken the spending in the docks to over £50m. BP has just hullt a £15m liquid-petro-leum gas terminal on the north

side of the Avon at Avonmouth to handle supplies from the Wytch Farm inland field in This terminal will receive its supplies by rail and is expected to handle about 180,000 tonnes

a year, up to half of which will

be exported. Nearby, Castle Coment has opened a £6.5m terminal to ndle bulk supplies from Sweden and the Bird Group brought on stream earlier this year a £5m investment to han-dle bulk scrap.

The company, based across the Severn in Chepstow, naries to bring in its high-tech

"These are all bringing in new life into the docks." Mr new life into the docks, I mr Ahmad says. It is a different scene today. The appearance of decay and dereliction has gone and a new air of resurgency is

apparent. When all these schemes are fully operational they will add about 750,000 tonnes a year to our through-Can this new drive, offset the geographical fact that Bristol is in the wrong place? Many

outside observers claim west-coast ports now have little future as our trade increasingly looks eastward.

Mr Ahmad denies Bristol is in the wrong place.

"We have identified cargoes we can attract and our situa-

tion is not necessarily a handi-cap. We are looking to attract bulk cargoes, especially forest products, of which there has been a significant increase in the past three years, and cars and vans, where we are now second only to Southampton.

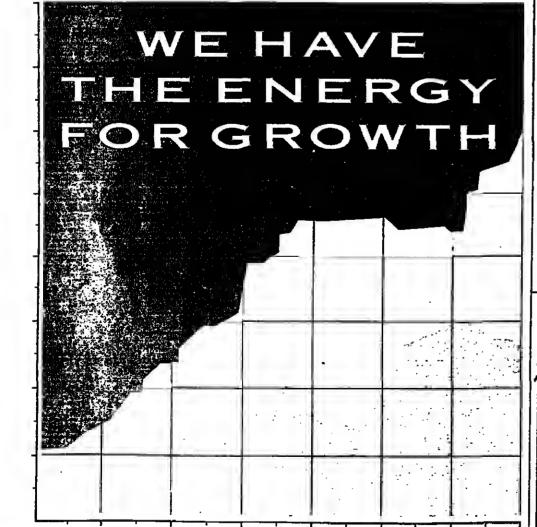
"Ports no longer simply load and unload goods. If a port is to expand it has to have land for developing operations. We heve that. We are generously endowed with greenfield sites to handle bulk items."

The cars parked near the docks, the latest of which are Protons from Malaysia, indi-cate the success of this policy. There is also a belief that the Channel tunnel will be to the Mr Ahmad believes the tun

nel could reverse some of the shift away from the west coast. He believes the west could win some of the trade trans-shipped at Rotterdam or Antwerp which would then be hrought by rall into Britain for onward

Bristol would be ideally situated with its land and good communications — it is the only port that has direct access onto the motorway network -to take advantage of this situa-

With the ending of the national dock labour scheme – Bristol was the sixth largest of the 61 scheme ports in terms of workers employed - and good labour relations the future indeed looks bright.



We at South Western Electricity support we give to the local economy. Last year we supplied more electricity to our business customers and connected 2,000

economic use of electricity and free advice on all aspects of electricity utilisation. For turther information telephone our Bristol headquarters on 0454 201101.

PUTTING POWER TO WORK





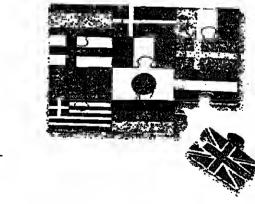
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- Financial reporting of the Firm's capital requirements to regulatory bodies (including TSA, AFBD and the Bank of England);
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The Department has a high profile within the organisation and candidates must be prepared to take a proactive approach in dealing with different departments, including the trading area.

Candidates will be either qualified accountants or have developed strong numerical and analytical skills in a similar organisation, preferably in a similar role. The remuneration package is excellent and negotiable, subject to experience.

Interested candidates should apply to Karin Clarke at Michael Page City, 39-41 Parker Street, London WC2B 5LH, or telephone her on

London Paris Amsterdam Brussels Sydne

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Michael Page City International Recruitment Consultants

How sales and marketing stand in pay stakes

By Michael Dixon

		Lower	quartile	Mo	dian	Upper	quartile	Ave	rage	-	Bonus etc	0/	0/tale	% whi
Rank	Specialism	Basiç salary £	Total money reward £		Total money reward £		Total money reward		Total money reward £	com- mission etc.	as % of recipients' average earnings	% with company car	% with free petrol	5-pius weeks holiday
Director	Finance	37,200	38,913	45,552	50,140	62,000	67,000	53,179	58,383	54.8	14.8	91.4	53.8	48
	Sales & mktg	35,000	39,200	45,000	48,800	57,500	62,001	49,492	53,642	56.1	11.8	100.0	61.4	33
Function head	Saiee & mktg	26,500	28,350	32,000	38,038	40,150	45,000	34,456	38,118	70.3	12.9	100.0	40.0	39
	Finance	27,000	28,382	38,000	34,800	40,000	43,000	35,053	36,838	48.7	8.1	86.9	38. 9	42
Head of dept.	Sales & mktg	23,650	25,002	28,000	30,000	32,450	35,050	29,112	31,250	59.9	10.6	94.4	37.7	41
	Finance	24,053	25,000	28,879	29,903	34,000	35,445	29,619	30,998	49.2	8.3	82.3	25.3	37
Section manager	Finance	22,000	22,102	26,000	26,800	30,800	32,000	26,646	27,671	50.2	6.9	69.7	15.6	39
	Sales & mkig	19,000	19,968	22,812	24,500	26,000	29,054	22,786	25,063	52.2	16.3	84.1	31.9	37
Team leader	Finance	18,909	19,215	22,500	23,349	28,000	26,985	22,557	23,406	51.5	6.5	44.7	6.4	37
	Sales & mktg	16,500	.18,115	19,200	20,710	22,191	23,840	19,646	21,475	58.2	14.2	73.7	21.5	34
Sepior staff	Finance	16,918	17,000	19,435	19,743	22,872	23,457	19,896	20,454	40. 1	6.1	19.1	2.8	39
	Sales & mktg	14,918	16,212	16,517	18,477	18,138	20,208	17,288	20,250	72. 1	18.8	78.5	23.1	40
Staff	Sales & mktg	11,750	12,732	13,265	14,520	15,007	16,357	13,741	15,751	56.7	20.8	63.1	24.9	15
	Finance	12,501	12,880	14,850	15,192	17,160	17,709	15,173	15,520	38.1	5.3	7.4	1.3	27

always in line with the same standard benchmarks, by the Remuneration Economics consultancy. And finance,

consultancy. And finance, personnel and engineering were the only specialisms it had recently studied.

Fortunately, today brings hope of pleasing some few more of the people because the consultancy has just produced a parallel study of sales and marketing. Dated as at September 1, it covers 3,475 staff in 88 varied commanies all over Britain. companies all over Britain.

The answer is that I had no relevant figures - or none adequately comparable, at any rate. The indicators came from the surveys made, A summary of its results, together with comparisons from the survey of specialists in finance, is given in the

table above. But my figures are merely a tiny sample of the full findings obtainable, at a price, from Peter Stevens of Remuneration Economics at 51 Portland Rd, Kingston

Upon Thames, Surrey KT1 2SH; tel 01-549 8726. The ranks descend from director to "staff" as typified by sales representatives with at least two years experience. In each case the table shows not only basic salary, but total rewards received in cash including commission, bonuses and the like.

The lower quartile figures refer to the person a quarter way up from the foot of a pay

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DOMESTIC AND S

league of all in tha same work and rank, the medians to the person mid-way, and the upper quartiles to the one a quarter way down from the top. Then we have the averages (or, in strict terms, the arithmetic means.)

Next coma, respectively, the percentages who were paid bonuses or commission and how much of their total money rewards such pay-ments represented, followed by the percentages receiving a company car, free fuel for its private use, five weeks or more annual holiday.

As may be seen, measured by the average total cash

applicants' requests not to be identified to the employer at this stage. The consultancy, based in

therefore promises to honour

London, has strong internal research and other support services. Candidates must be demonstrably successful not only in finding and selecting high-grade staff for a variety of employers, but at selling the services of the outfit they

themselves work for. Salary about £30,000 plus bonus on results and car. Inquriries to John Courtis and Partners, 104 Marylebone Lane, London WIM 5FU; tel 01-486 6849, fax 01-487 4600.

Easers-out

THE OTHER news is that Jim Elson of the Pauline Hyde and Associates outplacement consultancy seeks two experienced counsellors to join his team in London.

Before specialising in advising people on career moves — and not solely under the shadow of the axe - candidates should have achieved senior positions in

husiness, preferably with responsibility for profits. Salary again £30,000, with car among perks. Inquiries to Mr Elson at 20 Lincoln's Inn Fields, London WC2A 3ED; tel 01-242 4875,

Marketing — UK Corporates to £45,000 p.a.

A teating International Bank, long established in London, seeks to further strengthen its UK corporata lending learn. Well qualified candidates also require previous marketing experience and a blend of effective credit related skills that will combine to sustain a

Analyst in Corporate Finance to £30,000 p.a.

An established and much respected European bank requires a well qualified person, aged 24-30, with previous experience of Corporate Finance business. The responsibilities will involve M&A projects, buy-outs and other merchant bank type activities, plus research on notativities.

Account Officer — UK Corporates to £25,000 p.a.

A reputable European Bank, currently expanding the London branch business, seeks an additional person, aged mid-lete 20s, to undertake a relationship role with small-medium UK corporate clients. The blend of credit and administrative duties require a background of international banking experience.

Business Development Manager c£35.000 p.a.

AFTER decades of work,

researchers in America have established a historical fact.

It is that Abraham Lincoln

did not say (anywhare on

people some of the time, and some of the people all the time, but you can not fool all

the people all of the time."

Hence the Jobs column is leaping into the gap with a

proposal for an alternative

version which is surely no less true without heing so arrogant. It goes: "You can please some of the people all

the time, but not all the

people any of the time."

For example, four weeks ago I gave indicators of the going-rates of pay at seven levels of seniority for three

different types of specialists across British industry and commerce as a whole. The

specialisms were finance, personnel and engineering.

The exercise certainly pleased some people, because half a dozen representatives of the said assortment have

been in touch and said so. But for every one such call, I have had half a dozen from other specialists asking why didn't I do the same for them.

"You can fool all the

A leading European Bank, recently established as a branch operation in London, requires an additional person to join the credit team and contribute effectively to both business development and account relationship responsibilities. Suitable candidates will demonstrate proficiency in lending, treasury and corporate finance businesses.

Corporate Banking Officer to £28,000 p.a.

A welf regarded European bank requires a person aged c30 to assume the control and management of a portfolio of UK companies. The role requires an appropriate credit background, plus the ability to develop more business with existing relationships and also source new clients.

Credit Analyst c£20,000 p.a.

A respected end long established. European Bank requires an analyst, ACIB qualified and aged up to mid 30s, to join a specialist unit within the credit department. The duties require a minimum of two years relevant experience of analysing medium-large corporate customers.

These situations represent a selection of current assignments from a particularly active category of our specialist recruitment service.

For further details of either specific, or alternative and unadvertised positions; and to discuss potential career opportunities, please contact Frank Hoy, either by telephone or in writing.

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MARKETING MANAGER

to £40,000 + benefits

The merchant banking arm of a leading UK financial institution is seeking a corporate marketeer to be responsible for a portfolio of medium to large European corporates. As an experienced transactor you will be marketing traditional lending products and corporate finance products such as MBO's and leverage financing. Ref. 128563/sma

CORPORATE MANAGER

to £30,000 + benefits

An expanding European bank is seeking a graduate with strong credit and marketing skills to be responsible for marketing a broad range of banking and treasury products to UK corporates. You will be expected to increase the client portfolio and work on your own initiative in this high profile role which will afford you the opportunity to rapidly progress your career. Ref. 131395/ts

SNR CREDIT ANALYST

c£30,000 + benefits

UK Merchant Bank seeks business minded young graduate for senior role within leveraged finance group. You will ideally possess 3 years relevant experience including knowledge of structured finance transactions and excellent PC skills. Prospects depend on progress but you should expect a move into business development within 12 months. Rof. 129923/sbt

ACCOUNT OFFICER

c£25,000 + benefits

A medium sized European bank is seeking a young banker with good credit training from either a clearing or international banking background. You will be involved in marketing to medium sized international companies, preparing credit analyses and running a small team. An excellent career opportunity. Ref: 131361/ts

For further information on these or many other similar opportunities please contact

MANAGEMENT PERSONNEL 25 City Road, London ECIY IAA Tel: 01 256 5041 (24 hours) Fax: 01 374 8848



Capital Markets Young ACA or Credit Trained Banker

A leading European bank with a high profile in securities and corporate finance is seeking several ambitious candidates for investment banking business.

The role is London based and is to provide the senior marketing executives with quantitative corporate analysis together with proactive support ideas to further develop the Bank's full range of Investment Banking Products in Europe.

Applicants will be highly numerate and could be qualified accountants or individuals with extensive experience in credit analysis including formal training with a major international bank. A competitive package includes a bonua reflecting both the individual'a and the team's performance.

Applicants should reply quoting ref: VSAR.

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ROCHESTER

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Where will you be in 1990?

Eurobonds and Derivatives

£20,000-£40,000 + full Banking Benefits

Certain of our clients are looking for suitable candidates who have different levels of experience within the Capital Markets area. Individuals who have a good quantitative degree and who have already been introduced to eurobonds and the derivatives will be interested in talking to this major international house if they wish to develop their career in structuring deals and risk management. Those who already have a derivative products background with a good house and who can cope with the rigours of marketing for a nonhave a derivative products outsigned as a marketing for a top American House should also get in touch. Languages – in particular fluent German—would be a positive advantage.

Credit/Financial Analysis £20,000 + Bens

Looking for your first move? A major U.S. Investment House is looking for top class graduates in the credit and financial fields of analysis who wish to develop their skills in a demanding environment. Existing experience will probably be based around a formal training scheme, together with ou the job exposure within the credit department itself. We also have positions in this field for quality candidates who are further into their career with two or three more years experience and a salary to march.

or three more years experience and a salary to match.

Corporate Finance Associates

£35,000 + Perf related Bonus

rewards, the lowest and two

upper ranks of sales and marketing staff were higher paid than their equivalents in finance. What cannot be

seen ia that, by the same

yardstick, all ranks in both specialisms were better off

than their counterparts in personnel and engineering.

Puller-in

NOW to some jobs, starting with the good news. A

top-notch executive-recruiter

headhunting consultancy which he may not name. Ha

s sought by headhunter ohn Courtis to join another

Spanish or Italian nationals with an absolute minimum Spanish or Italian nationals with an absolute imminum of three years experience in corporate finance are needed at this European bank. The position on the advisory team involves mergers and acquisitions, equity and debt financing, private placements, secured finance, corporate restructuring and LBO/MBO analysis. You will have an excellent academic background preferably including an MBA and a thorough knowledge of the European market. In return you will join an expanding, dedicated and hardworking team who are at the forefront of European corporate finance.

Treasury Specialist

£18,000 + Bens

This blue chip American bank has created a new position for a bright and enthusiastic technical specialist with a minimum of two years experience. The main responsibilities are the management of multicurrency cash requirements, the formulation of forward projects, cash management of all European Accounts and the funding of multicurrency accounts. You will probably be a graduate in your mid 20% with a thorough understanding of the banking and securities market and the treasury knowledge to

For details of these and other vacancles please contact Julic Byford or Richard Stark on (01) 583 0073 or (01) 630 1644 (evenings and weeks ads), or send your CV in complete confidence to: 16-18 New Bridge Street, London EC4V 6AU. Fax (01) 353 3908.

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Our client is a major UK international corporate bank committed to the development of its existing business through the provision of specialised financial products in addition to general banking

They seek four highly motivated corporate banking managers to develop business from their established branches in Birmingham, Leeds, Manchester and

The successful candidate will be aged 25-40 with a background and experience in developing corporate relationships through professional intermediaries. They will have strong credit skills and the ability to negotiate, structure and 'close' credit transactions at board level (i.e. MBO's, LBO's, re-structuring, re-financing and other structured credits).

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We invite applications from candidates, aged 27-35, currently in a demanding corporate finance environment, who will either be graduates of 5 years' standing or accountants with 2 years' post qualification experience and with a European approach and language ability. A proven track record of deal making including framing proposals, structuring and handling the technical aspects of deals is key, as is a knowledge of the current regulatory framework. This experience is likely to have been gained with a leading British stockbroker or merchant bank. The successful candidate, who will quickly become a key member of the team, will be responsible for providing a transaction-based service to UK corporate clients involving cross-border deals particularly with Germany, France, Natherlands, southern Europe as well as the US and Australia. There will be a high degree of personal autonomy in pursuing and closing deals to tight deadlines. This strong international team has a clear business focus, a reputation for the high quality of their work and whilst there are the usual work pressures there is also a sense of fun. Initial salary is negotiabla £40,000-£55,000, plus performance related bonus, (outstanding candidates can expect considerably enhanced earnings) car, non-contributory pension, medical scheme and subsidised mortgage. Applications in strict confidence under reference ADCF4688/FT to the Managing Director, CJA, Candidates wishing an Initial confidential discussion, please telaphona 01-638 0680 or evenings 01-828 2891.

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CORPORATE FINANCE STRATEGIC BUSINESS DEVELOPMENT

City Based

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Our client, one of London's leading merchant banks, is seeking to appoint additional members in the Business Development Team within its Corporate Finance Depart-

Working alongside the department's transaction teams, the wide ranging brief includes:

- Applying a strategic and financial analytical approach to identifying and presenting business opportunities.
- Providing support and liaison to the bank's domestic and international client development programme.
- Targeting and developing relationships with potential clients.
- Adopting a high profile, innovative approach to servicing the existing client base.

Candidates must be self-starting, Innovative and flexible thinkers who can operate on several levels, and several projects at once. Presentational and analytical skills are of the utmost importance in order to gain the respect of both senior client company executives and colleagues within the department. There is a strong preference for candidates with a strategic consultancy background. Age range 26-32 years.



For further Information and a confidential discussion contact Howard Foster or Neil Wax on 01-387 5400 (evenings on 0727 55639/0923 819298) or write to us at Financial Selection Services, Drayton House, 30 Gordon Street, London WC1H OAN.



OPPORTUNITIES IN BANKING

ACQUISITION FINANCE

ACCURSITION TRANSCE

to 270,000 + benefits

A European Securities House wishes to increase its acquisition and leveraged finance learn. Aged between 27-32, you are likely to have direct transactional experience at a major bank and find the prospect of greater autonomy and working more closely with international M & A specialists attractive, Candidates with the ability to spot opportunities are of conculum mierges.

SENIOR CREDIT ANALYST

SENIOH CREDIT ANALYST
\$22,000-\$30,000 ase
Join the high profile specialist hisned team of this major
international bank. Working in a tast moving, deal driven
area, you will have the opportunity to use your credit stells in
a proactive environment. The deal under review throlves both
overseas and UK transactions, including project finance and
BO/NBO finance. Ottering a recognised credit training, you
should enjoy the challenge of this front line role.

ASSISTANT FUND MANAGER/ANALYST

ASSISTANT FUND IMANAGER/ANALYST to \$24,000

A leading investment management organisation requires a graduate in their mid 20s, with approximately 2-3 years' previous research emperence. With well developed quantitative statis, and ideally knowledge of the financials/ consumer sectors, you will work within a dynamic and successful mouth.

SALES - WARRANTS & EUROBONDS

We have two major players seeking sales staff for junior posts (minimum 6 months' experience) through to sentor positions, in all markets of warrants and eurobonds including derivatives and the structuring of deals. Fluent Spanish or Italian is essential for one of the eurobond positions. Age to

EUROPEAN M & A

Salary highly negotiable

To take advartage of cross border European M & A opportunities, two highly regulable New York institutional brokerage houses wish to dovelop their London and Europe based corporate finance beams. European nationals with minimum 3 years' generalist corporate finance experience within the principal Continental economies would be of continents interest.

FINANCIAL ENGINEERS to £70,000

A number of clients wish to strongithen their existing financial engineering toams and one seeks to recruit a candidate to set up a New Products Desk. Preference will be given to highly numerate graduates and MEMs with experience of on and off balance sheet instruments, ideally candidates will

UK AND EUROPEAN MARKETING £25,000-£40,000 sale or the world's major barks beeks 'hands on' business One or the world's major banks seeks 'handa on' business developers to be strategically involved in the development of its UK and European corporate banking teems. Experienced in marketing a wide range of both commercial banking and specialised finance products, you will enjoy excellent career development within an expanding London based operation.

TRADERS
US TREASURY/WARRANTS/EQUITIES
Salary aae
Two international banks have openings for experienced traders with a minimum of 3 years' experience to join and established team. Applicants for the US treasury role should ideally have expenence of futures and options. Preference will be given to candidates aged 22-34.

FINANCIAL RECRUITMENT CONSULTANTS bove and other vacancies, or for general advice on your next career move, please contact RICHARD LYONS or JULIAN FOX,

7 Birchin Lane London EC3V 9BY



Tel: 01 895 8050

A member of The Devonshire Group Pic

Jonathan Wren Executive

CORPORATE BANKING ACCOUNT OFFICERS c£35,000 + Benefits

Major international bank requires, for its London operation, at least three high quality corporate bankers. Candidates must currently be focusing on the middle/major UK corporates with proven ability to develop existing portfolio and win new business.

Candidates must be assertive self-starters with personality and drive to convert opportunities into profitable business. You will also have very strong credit skills. If you have knowledge of one or more of the following product areas please apply: Mainstream Corporate Banking: Off-Balance Sheet Products; LBOs; MBOs; Property; AGRI-Business.

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CORPORATE BANKING AND TRADE FINANCE

A major Spanish bank is seeking an Account Manager to join its U.K. business development team based in the City.

The position calls for an individual who is able to demonstrate at least 8 years successful experience in a banking environment which has involved him/her in a high level of marketing to medium sized corporates and trading companies preferably both in the United Kingdom and some overseas markets.

The applicant will require to be a well-trained commercial banker with sound credit assessment skills, a good knowledge of traditional financing mechanisms as well as treasury and forex products.

Ideally, the candidate will be in the 35 to 40 year age bracket and knowledge of Spanish will be an advantage. The position will command salary and allowances of some £40,000.00 plus usual fringe

> Write Box A1408, Financial Times, One Southwark Bridge, London SE1 9HL

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An opening has arisen for a Senior Development Capital Executive to be besed in London or possibly Scotland. Aged 30-40, with 4 to 8 ears directly relevant experience.

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WATERS LUNNISS

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All applications will be treated in the strictest confidence, (Waters Lunniss are Members of the International Stock Exphange and The Securities Association)



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Zurich insurance, part of the £14.6 billion Zurich Group, is seeking an individual to join its City investment beam which is responsible for the management of the bulk of the group's growing sterling assets. We are seeking someone with at least 2 years' experience of the UK equity market, and in addition some knowledge of overseas equity markets would be an advantage, atthough not essential. Working within a small team, the person appointed will be responsible for researching and monitoring new and existing equity holdings and will also assist in the day to day management of our portfolios.

Ideally aged mid to late twenties, you will need the aptitude and initiative hecessary to justify an early promotion. You should be educated to 'X' level standard, while a degree or relevant professional qualification would also be an advantage. In return, Zurich will reward you with a fully competitive selery and remuneration package which includes assisted mortgage achieme and non-contributory pension plan with life assurance, permanent health insurance and generous insurance discounts. Relocation assistance will be available where appropriate.

Please write with full career and personal details to G. Exton, Assistant Investment Manager, Zurich Insurance Company, First Floor, Furness House, 106 Fenchurch Street, London EC3M 5EU.

Zurich Insurance is committed to equality of opportunity. All applicants

will be judged solely on their merits.

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If you'd like to know more about this possibility, ephone Bob Scott on 021-631 4888 in the strictest confidence.



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Well established International Yacht Brokerage Company requires at least two brokers: one to take responsibility for up market sailing boat brokerage and marketing, the other to concentrate on the power boat market. The successful candidates will be Mediterranean based. A working knowledge of French is important. Italian and Spanish would be useful.

Apply P.O. Box No. 371, London WC2A 3RP

Opportunities in Bermuda

The Bank of Bermuda has experienced exceptional growth over recent years creating new and challenging opportunities in our Personal Trust Department. Applications are now invited for the following positions:

Assistant Manager

This individual will assume responsibility for the daily activities of a group of trust administrators and assist in the development of new business. Interested candidates should possess a university degree or professional qualification in the trust area, extensive technical knowledge of trusts, and excellent managerial and business development skills.

Senior Trust Administrator

This is an excellent opportunity for a career-orientated individual to further develop expertise as a specialist in offshore trust and companies. Applicants should have at least 3 to 5 years experience in trust administration and be making steady progress in the examinations of the Chartered Institute of Bankers (Trustee Diploma) or a similar qualification.

Corporate Secretary

The Corporate Secretary will be responsible for all aspects of company administration including maintenance and preparation of statutory records, minutes, production of standarized reports, and special research projects as required.

To qualify, you should have a Chartered Secretary designation or equivalent experience in company secretary administration.

The Bank of Bermuda is Bermuda's largest bank with assets of \$5 billion. Its Head Office is linked by an advanced communications network with overseas offices in New York, London, Hong Kong, Luxembourg, Cayman and the Channel Islands. The Bank employs over 1600 staff worldwide of whom 1200

A competitive tax free salary and comprehensive benefits package is provided. Applicants are invited to send a detailed resume by mail or telefax, or alternatively call: Miss Linda Johns, The Bank of Bermuda, Representative Office, 2 Broadgate, London EC2M7ED, Tel. (01) 256-4000, Fax (01) 588-8434. If your spouse will be seeking employment in Bermuda, please include his/her resumé

Intervieus will be conducted in mid December.



Copenhagen HandelsBank London Branch

The second of th

We are looking for two credit analysts to work in a small credit section which liaises closely with Marketing Offices but reports independently to the Credit Committee. The successful candidate for the senior position will probably have four or more years' experience and be able to evaluate a wide range of credits, Including large and small industrial and financial companies. The candidate for the other position may have less experience, but should also be very proficient. Candidates will, of course, be familiar with computer based spreading and financial projection techniques.

An attractive remuneration package is offered commensurate with your experience and skills.

Applications in writing, with CV, to The Personnel Manager, Copenhagen Handelsbank A/S, 18 Cannon Street, London EC4M 6GB.

SENIOR DIRECTOR **MERGERS & ACQUISITIONS**

London

Package in excess of £200,000

Our client is a leading International Investment Banking House. They currently seek a rapid expansion of their M&A function in London through the appointment of two Senior Directors and at least three Assistant Directors. The opportunity represented by the Suitable applicants for the more senior roles are unlikely to have less than 5 years M&A experience; for the less sening 3 years.

, confidence.

senior positions is demonstrated by the package: • very substantial base salary in the

region of £100K; equity participation in the main group;

· equity participation in

certain deals transacted; carried interest.



Most important is a pro-active, entrepreneurial approach to business as evidenced by a track record of deal nrigination, All applications will be

> Please contact nr write tn Anthony Justin nr Neil Hutchison who are advisors nn this appointment.

treated in the strictest

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18 HANOVER STREET, MAYFAIR, LONDON WIR 9HG. TEL: 01-287 0747. FAX: 01-287 5630

NIPPON KANGYO KAKUMARU (EUROPE) LIMITED

We are a powerful International financial institution with our head office in Tokyo and our European business spearhead from our long-established City base.

We currently seek to supplement our sales staff with the services of:

EUROBOND MULTICURRENCY, SALESPERSON, with proven Europan sales experience and the ability to function profitably within our expanding team. Preferred aged mid to late 20's. European languages an advantage.

JAPANESE EQUITY SALESPERSON, with at least 2 years mainly UK selling experience. Preferred aged mid 20's.

interested applicants are invited to write to Neil Dewhurst, Nippon Kangyo Kakumaru (Europe) Limited, 18 Finsbury Circus, London Prime U.S. Investment Bank

Young Economist

Salary c.£30,000 p.a. + Banking Benefits

One of the most prestigious and innovative global financial institutions has an immediate requirement for a young, ambitious

This is an exciting opportunity to join a well-established international economics team. Prime responsibility will be for running the model of the UK economy and contributing to relevant publications, in support of both internal operating departments and external clients. There will be subsidiary responsibilities covering other major economies.

Candidates should be aged early to late twenties, with a minimum two years post-graduate experience as an economist. They will display a high degree of numeracy and literacy, strong interpersonal skills and a real ambition to succeed. In return, applicants can expect top class facilities, a dynamic work environment and a generous remuneration package, which

Interested candiates should contact Andrew Stewart oo 01-248 3653 or write, sending a detailed CV to the address below or use our confidential fax line oo 01-248 2814. All applications will be treated in the strictest confidence.

76, Watling Street, London EC4M 9BJ

includes all the normal banking benefits.

Tel: 01-248 3653

CONSULTANTS IN RECRUITMENT

Assistant Company Secretary

... key role for a proactive young professional in the field of investment and fund management.

London: S. Competitive plus Financial Services Benefits

Reporting to the Company Secretary, you succeed in a demanding environment are will ensure that the requirements of the Companies' Act, Financial Services Act and Stock Exchange regulations are met. Other areas of accountability will include compliance with regulatory authorities, Board Meetings and employee benefits.

You are a newly qualified Chartered Secretary with several years' company secretarial experience, ideally gained in the Financial Services sector. Flexibility, professionalism and the ability to

critical.

Salary will be dependent upon experience. In addition, a full range of financial services benefits will be

Please write - in confidence - with full career details, current salary and a daytime telephone number quoting the reference FT 21258 to Miss Lynne J A Stevens at MSL International (UK) Ltd. 32 Aybrook Street, London W1M 3JL

MSL International

Corporate Finance Executive

Entrepreneurship in mergers and acquisitions c£35,000 + car + banking benefitsCity of London

As part of its global expansion strategy, a renowned and successful French banking group is opening an office in the City to undertake corporate finance business. The Managing Director is already on site and is currently recruiting his executives.

A corporate financier is required to undertake a wide range of challenging tasks including the construction and execution of small to medium sized M & A deals, investigating possible new clients, and liaison with the Takeover Panel and other regulatory

The ideal candidate will have the following attributes: at least 5 years' experience of the City, with at least 2 years in corporate finance; experience of leading small, nonhostile deals in the UK and across borders; knowledge of the food, retailing or consumer products sectors. Candidates must have fluency in French and a professional legal or

accounting qualification, ideally ACA.
For the professional with entrepreneurial flair, this position represents an outstanding opportunity to draw on your banking experience and create

a department in your own image. As we intend to show CVs to our client, please list in a covering letter any organisations to whom your papers should not be disclosed.

Any individuals requiring further information should write to or telephone Miles Holford quoting ref. F/0022 at the address below: **Executive Selection Division Price Waterhouse** Management Consultants No. 1 London Bridge London SE1 9QL

Price Waterhouse



IMRO Senior Compliance Officers

IMRO is one of five SROs recognised by the Securities and Investments Board with responsibility for the regulation of investment management in the UK. Included within the IMRO Compliance

- Department's activities are:-* Regular inspections of IMRO members to ensure
- that investors are adequately protected * Carrying out special investigations where there is
- * Regular contacts with Members
- * Projects related to the development of Conduct of
- Business Rules.

There is currently a requirement for a number of high calibre professionals to join the existing team.

Candidates will be:-

* Graduates, probably with an accountancy qualification _..

Prospects with IMRO are excellent as is the

- * With first-class interpersonal skills * With knowledge of financial services
- * Keen to enhance their career in a high profile role, working in a fast moving professional

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remuneration package which includes an excellent base salary and moregage subsidy. Interested candidates should contact Karin Clarke on 01-831 2000 or write to her at Michael Page City, 39-41 Parker Street, London WC2B 5LH.

Michael Page City International Recruitment Consultants London Paris Amsterdam Brussels Sydney

Shepherd Little & Associates Ltd Banking Recruitment Consultants

ASSISTANT MANAGER

£20,000-£30,000 + benefits

SENIOR ECONOMIST to £40,000 + car

Our alient, a prestigious American bank, wishes to appoint an economist who will assess trends in the US economy and make comparisons with other countries to provide alient support services to the Euroband team. As an economics graduate you will have in depth traveledge of the GS economies and be highly motivated with strong communication stills. Altractive range of tringe benefits. Please contact Brenda Shepheral

RISK ANALYSIS £35,000 +

This is a senior position with one of the world's leading international banks. They are seeking an experienced creditirisk analyst who is probably an ACA or has been trained professionalty within an American bank. The job will entail assessing risk and exposure in complex financial deals, advising an complicance and profitability, and establishing a high profile and professional role for the credit department within the expanding London branch.

CAPITAL MARKETS TRANSACTION MANAGEMENT to £45,000 + car

estment bank is a market leader with a substantial Equity derivative warrants, syndicated toans and private placements. A vacancy exists for a legally qualified specialist with 2 years experience of capitol market transactions preferably with a merchant banking background. The key responsibilities include premandate structuring, documentation and the ability to work closely with Internal and external parties to each mandate. The successful candidate will receive an excellent benefits package including performance related bonus.

Please contact Brenda Shepherd

FRENCH SPEAKING DEALERS/TRADERS

As a result of restructuring, the London dealing room of a well known European name is seeking two dealers of a senior level. Apart from being confident of your skills in either foreign exchange or money markets it is essential that you are fluent in French. There is a generous salary and benefits package on offer to those who feel that they con fit into, and influence, a small team of a senior level by contributing further to its growth and success. Please contact David Little

Ridgway House 41/42 King William Street London EC4R 9EN Telephone 01-626 1161

HEAD OF CORPORATE FINANCE

Our client, a public quoted investment group, providing a range of investment services for private and corporate clients, wishes to appoint a Head of Corporate Finance. You will be a Senior becufive with wide corporate finance advisory services experience including property related transactions. Knowledge of capital market products would be a distinct advantage. An attractive remuneration package will be offered reflecting the strategic importance of this newly created position.

Contact: lestie Squires

ACCOUNTS MANAGER £25-£35,000

A well-established UK merchant bank is in the process of capitalising upon its success within its marketing division. In response to this programme, two vacant positions have been identified. The roles will involve marketing the full range of the Bank's products to medium-sized UK corporates, Ideal candidates will have excellent marketing skills, based upon an in-depth knowledge of general banking. Contact: Sarah-Jane Wittridge

SENIOR ECONOMIST to £40,000

A leading US investment bank currently seek a Senior Economist to cover the US Sector. Working within the Economic Research Department, your key role will be to support the Money Markets and Read Income trading teams, assessing trends in the US and comparing these with other major sconomics. You will have an in-depth in-powledge of CS-Seconomics, together with strong communication stells and prior experience of presentations to colleagues and clients. An economics degree is assential for this position; preservace will be given to condidates with post-graduate qualifications.

Contact: Wendy Fenn **JAPANESE EQUITY SALES**

An expanding Japanese Securities house seek graduates in their mid-tiversies to retail Japanese equities to Northern European and UK Institutions. Linguistic ability would be a distinct advantage but not a pre-requisite. Candidates should have a minimum of two years' experi-ence in a similar environment and be self-mativated. Our client affers excellent benefits, including a competitive salary.

Contact David Puddick.

ANDERSON, SQUIRES LIMITED, Financial Recruitment Specialists 127 Cheapside, London EC2V 6BU, Telephone: 01-606 1706. Telefax: 01-726 4031

Banking Treasury

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Director of Commercial Lending

The UK banking subsidiary of one of the world's largest corporations is poised to expand further its Head Office operations. A recent shift in emphasis of the Bank's business development strategy has created this new position within the highest echelon of the senior management team. Based in Croydon, the core business is the provision of secured medium term finance to businesses in Great Britain.

As a member of the Bank's Executive Committee, you will devise strategy, develop new products and tailor the existing product line to achieve annual sales targets for a broad base of financial services including commercial mortgage lending, overdraft lending, medium and long term business

Liaising closely with the Directors of Operations and Credit, you will establish effective procedures for processing new business. Additionally, you will lead and develop a small team in the pursuit of profitable business.

In your late 30's - early 40's, you are a graduate with about 15 years' banking experience gained within a North American or UK banking institution. An aggressive and successful marketeer with extensive experience of UK corporate lending, you have a detailed knowledge of structuring and pricing, excellent man-management skills, the ability to take an overall view on creditworthiness and possess the desire and motivation to succeed in an extremely competitive market place.

This is a challenging and highly visible, key position and the salary will be commensurate with your calibre and experience. In addition to the attractive remuneration package, which includes a company car, medical insurance, etc., the Bank also offers an excellent bonus scheme.

Please ring or write with CV to Carmina Leon Ogle, Simpson Crowden Consultants Limited, 97/99 Park Street, London W1Y 3HA. Telephone: 01-629 5909.

Simpson Crowden

CONSULTANTS

ABN Bank Financial Engineer **Off-Balance Sheet Products**

ABN Bank, a highly respected international bank with an extensive corporate client base, is seeking to expand its off-balance sheet activities. A key position has been created for an ambitious Financial Engineer to set up and develop a Bank's Products Desk for the U.K.

The successful candidate will be responsible for the growth and day-to-day running of the desk, which will provide a pricing and advisory service to the client base in a range of off-balance sheet products and their derivatives (e.g. FRA's, Options, Futures and Swaps), as well as for the cover and control of positions and cashflows resulting from these

In addition to relevant corporate dealing experience, which recently will have concentrated on off-balance sheet products, the successful candidate must have the ability to devise strategies, possess strong communication skills, leadership qualities and outstanding sales ability.

For the right candidate, who is able to rise to the challenge, opportunities for further career development are excellent and a competitive salary will be augmented by an attractive benefits package.

Applicants should contact Kate Griffiths on 01-831 2000 or write, with full personal career and salary details to her at Michael Page City,

39-41 Parker Street, London WC2B 5LH.

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International Recruitment Consultants

CORPORATE FINANCE ASSISTANT DIRECTOR — YORKSHIRE

Excellent salary plus performance bonus.

Bank benefits including mortgage subsidy and car.

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- Do you want to play a key role in the development of corporate finance in a major regional financial centre?
- professional accounting or legal qualification? Do you have practical corporate finance
- experience with a merchant bank or stockbroker? Are you ready for promotion and to take on greater responsibilities?

Already well established in the City, Lloyds Merchant Bank is expanding its business through structured regional growth. Based in Leeds this position in a fast



growing regional financial centre, provides a rare opportunity for the right candidate to influence the direction and marketing of the corporate finance beamess working closely with the locally based Director. You will call upon your past corporate finance experience to provide high level financial advice to clients and to seek out major opportunities for flotations, mergers and acquisitions.

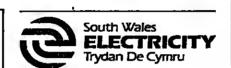
An excellent remuneration package will reflect the importance of this appointment. Career opportunities beyond this high profile role are outstanding. Relocation will be provided if necessary.

To apply please send full career details, together with current salary, to our Consultant, John Todd, Ref: 3493/JT/FT, PA Consulting Group, Fountain Court, 68 Fountain Street, Manchester M2 2FE, or telephone in confidence, 061-236 4531.



HUMAN RESOURCES Creating Business advantage

Assistant Treasurer



c£25,000 + CAR

With a turnover of around £500 million, South Wales Electricity will become one of Wales most substantial public companies offer privatisation. The new environment offers a major challenge to the Teasury function and our client excellence on ambitious latificial and our excellence on ambitious latificial and and our client excellence on ambitious latificial and are the seeding on ambitious latificial and are the seeding on ambitious latificial and are the seeding of the seeding and are seeding and are the seeding of the seeding and the seeding are the seeding and the seeding are the seeding the seeding are the seeding the the seeding the seeding the seeding the seeding the seeding is seeking an ambitious individual to play a major part in developing its role.

Responsibilities will include cash flow management, short term investment and funding, and the evaluation of alternative methods of financing. You should expect to be closely involved in all aspects of treasury activities.

You will have gained a good knowledge of frequiry instruments, probably from within a banking environment or a corporate frequiry. Above all, your treasury experience will enable you to make a major contribution in this development environment which offers on excellent opportunity for career progression to the successful condicate.

The post is based at the headquarters. near Cardill and close to the M4, and relocation assistance will be provided where required.

Please send CV's, which will be shown to our client unless a covering letter gives contrary instructions, to Jonice Wolden, Ref. JW470, Coopers & Lybrand Executive Resourcing Limited, Churchill House, Churchill Woy, Cordiff CFI 4XQ.

Executive

Coopers Resourcing & Lybrand

Secure your future in Asset Based Financing Credit Analyst

The UK banking subsidiary of one of the world's largest corporations is seeking to increase its credit staff to support further planned growth in the 1990's. Based in Croydon, the head office core business is to provide corporat customers with a wide range of financial services, including operating and financing leasing, hire purchase, commercial mortgages and medium and long term business loans.

This rapid development and expansion has resulted in the opportunity to join a highly professional, dynamic Credit Department. Reporting to the Director of Credit, you will analyse and prepare detailed credit reports on prospective customers for presentation to the bank's Credit Committee. Responsibilities will also include visiting customers to gain an in-depth knowledge of their current financial situation, future plans and prospects.

In your 20's, you are of graduate calibre and have approximately 3 years experience of credit analysis within a financial institution. You have successfully completed a formal credit training programme and have gained knowledge of equipment finance proposals and the associated legal issues. Experience of computer based credit analysis systems would be an advantage.

You will command a competitive salary, which reflects both your experience and potential, and the remuneration package includes a company car, bonus scheme, pension scheme and medical insurance The state of the second stransferrer

In complete confidence, please ring or write to Commina Leon Ogie, Simpson Crowden Consultants Limited, 97/99 Park Street, London W1Y 3HA. Telephone: 01-629 5909.

Simpson Crowden CONSULTANTS:

Head of Banking

 OUR CLIENT is an established, quoted, independent UK Merchant Bank which serves the smaller corporate and private market.

• THE APPOINTMENT is as Head of the Banking Department responsible for the lending and deposit gathering activities of the Bank, a position which will quickly lead to a broader involvement in the running of the Bank at decision making level.

 IDEALLY the candidate will be a high quality graduate, aged in his early to mid-thirties, with a proven track record as a business minded banker with sound technical and credit skills, Numeracy, strong interpersonal and management skills and a flair for business development are

• THE REMUNERATION PACKAGE will be attractively structured and will include a director level stock option

> Please apply in complete confidence. quoting ref. S/1009, to: Mark Stroud, WBH Human Resources Rofel House, 1D Colet Gardens. London W14 9DH

BOND & CURRENCY STRATEGIST

As one of the leading international securities houses, our client is committed to providing an outstanding research facility.

On their behalf we invite approaches from experienced graduates with a highly numerate background, probably aged between 25-35. 'A' thorough grounding in economics is essential together with an intimate knowledge of both the foreign exchange and fixed income

The primary function of the position is to produce research on international boad and currency strategy which will include regular portfolio ellocation recommendations. The strategist will work closely with the economics team in the formulation of forecasts.

This position offers a unique apportunity to establish a key role within a highly regarded market name. Selary will not be a limiting factor for the right individual.

For an initial talk in confidence, please contact Clare Kearns, 20 Cousin Lane, London, EC4R 3TE. Tel: 01-236 7307. Fax: 01-489 1130.



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MARKETING OFFICER £25,000 + Package

To market this highly renowned international bank's financial products to a broad range of institutional ellents in southern furope, in particular Italy. These tend to be government bodies and agencies, and local banks. The successful applicant will also play a role in the development of new products using techniques in Swaps/Options and other derivative products. Strong verbal and written communication skills in both English and Italian, along with excellent quantitive ability are essential. This position will also include travel at short notice. For an immediate interview please contact Jackie Osborne on (01) 588 6674.

6 Broad Street Place, Blomfield Street, London, EC2M 7JH (Rec Cons)

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Formal credit training, Degree educated, corporate/treasury experience. PRIVATE BANKING OFFICER 220-25,000 Clearing background in credit/marketing, languages beneficial.

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Currently working within a similar environment, you must be able to demonstrate the ability to perform profitably as an individual within the team structure. Emphasis will be placed on cross currency dealing and currency options, and a second language would be an advantage.

Salary and benefit packages are highly competitive and should not be a limiting factor for the right individuals. Please telephone or write in confidence to Cross Selection at Z10 Bishopagate, London EC2M 4NR (01 283 0799).

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Barbara Kupfer en 01 493 8359 (West End Office) M.L. Group

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You can look forward to a large basic salary, truly reflecting your experience and proven track record plus a unique profit share scheme, payable monthly, tax free based on your own profit results.

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MANAGING DIRECTOR

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Outstanding **Opportunity**

Pension Funds Head of Department

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Perpetual are now looking for an experienced individual to co-ordinate the company's activity in this area as head of the department responsible for marketing to pension funds.

The successful candidate will be an ex-fund manager and a

CREDIT

MANAGER

A senior person to advise and review

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Experience of computerised analysis

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Please telephone Shelagh Arneil on

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person who has experience of marketing to the pension fund industry - strong presentational skills are essential.

This is a challenging position and will require someone with energy, drive and initiative. In return a substantial salary is envisaged with other attractive benefits.

Applications in strict confidence to M Arbib, FCA, Chairman, Perpetual plc, The Old Rectory, 17 Thameside, Henley-on-Thames, Oxon RG9 1LH.



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portiolios.

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in accordance with Plule 2.10(2) of the Insulvency Plates 1986 notice is hereby given that John Eric Macmilton of Gunt Thorston, 31 Carloton Creacent House, 31 Canoba Creeen, Southerpton, SC1 2EW, and Patrick Walter John Hertigen of Booth, Willie & Co, 8 Releigh House, Admissis Way, Waterside, London, E14 SSn, were appointed Joint Admiristra above companies, who tracked as wholesalers and ventions of minoral water and soft drinks, on 6 November 1988, by order of the High Court.

OF NOVEMBER 1989 . P W J Hardgan

DATED THIS STH DAY

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PUBLIC NOTICE

INSOLVENCY ACT 1986 THE INTERIOR CONNECTION CO LTD

NOTICE IS HERRITY GIVEN, passes to Section 96 of the Insulvency, 1986, that a Meeting of the Creater poses mentioned in Sections 100 and 101 et and of the said Act.

Briss, Milks Recessed Insolvency Practi-tioner of Booth, White and Company, 2 Natura, Street, Southend-On-Sea, Event 851 1857 will furnish Creditors, free of charge, with rach information concern-ing the Company's affairs at they may presentedly require.

Dated this 17th day of November, 1989. By Order of Board

COMPANY NOTICES

DUE 1998

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CLUBS

NOTICE TO BONDHOLDERS OF SECOM CO., LTD. U.S.\$80,000,000 34/4 CONVERTIBLE BONDS DUE 1999 U.S.\$49,906,000 5% CONVERTIBLE BONDS

Pursuant to Clause 6 (B) of the Trust
Deed dated 26th May, 1983, notice is
bereby given as follows:

At the meeting of the Board of
Directors of the Company held on 21st
September, 1989, the resolution was
adopted on the issue of new shares by
free distribution, particulars of which
are set out below. Consequently, the
Conversion Price of the Convertible
Books shall be adjusted, as set out in
(2) below.

(3) The first distribution of shares will

(2) Described.

(2) The free distribution of shares will be made to shareholders of record as of 30th November, 1989 (the Record Date) at a ratio of 0.3 new shares for each one share held. The free distribution will become effective on 19th January, 1990.

(2) Adjustment of the Convention Prior. The free distribution will become effective on 19th January, 1990.

(2) Adjustment of the Conversion Price:

Pursuant to Condition 5 of the Terms and Conditions of the Bonds, the Conversion Price will be adjusted from the current ¥2,283,10 to ¥1,944,70 effective as from 1st December, 1989, Tokyo fine. Pursuant to Condition 5 of the Terms and Conditions of the Bonds, the Conversion Price will be adjusted from the current \$44,704.80 to \$73,619.10 effective as from 1st December, 1989, Tokyo time.

SECOM CO., LTD.

By: The Misschichi Rauk, Limited as Principal Paying Agent
Dated: 22nd November, 1989

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EUROPEAN FINANCE DIRECTOR

ACCOUNTANCY COLUMN

Effect of new standard on pension accounting

By Eric Short, Pensions Correspondent

SSAP 24 (Statement of Standard Accounting Practice no 24), which lays down how pension costs should be reported in company accounts, has been in circulation for more than 18 months. But most finance directors are only now becoming aware of its

For all accounting years beginning after June 1988, companies will have to show pension costs in the accounts on a systematic and rational basis, instead of the previous system where the costs represented the contributions paid into schemes; most compa-nies will not have to apply it until the

end of this year. One objective of the standard was

One objective of the standard was to provide year-to-year consistency and to account for costs of pension liabilities over the period that the liabilities were incurred.

One of the first effects was to stop companies bringing the immediate benefits of pension-scheme surpluses into reported profits by taking full credit for contribution holidays.

Now such surpluses have to be spread over the average working lifetime of the employees.

time of the employees.

Even with this spreading, however, the impact of pensions surpluses on reported profits can be highly significant — as seen when British Telecom issned its half-yearly results last

BT disclosed that the charge to pen-sion costs was only one third of tha previous 12 per cent company contrihution, that operating costs had gained 546m at the interim stage and that the full year's pre-tax profits were expected to be boosted by some

The full effect of SSAP 24 will not

he seen until the early months of next year, when accounts for the year to end-December are published. Nevertheless, actuaries are already assess-ing the standard's implications and considering what changes ought to be

In a paper presented to the Staple Inn Actuarial Society earlier this month, two actuaries employed by William M Mercer Fraser, the employee benefit and consulting actuarial firm, concluded that it was failing to fulfil its aims.

Paul Greenwood and Mike Reynolds, the authors, said the main cause of failure was the flexibility the standard gave actuaries in the methods and assumptions they could adopt to calculate the reported pension costs. Ascertaining pension costs and funding rates for pension schemes has always been regarded as the natural

role of actuaries.

The introduction of a formal standard of accounting for pension costs brought accountants into this field, since accountants have to sign the accounts and therefore need to ensure that the costs represented a true and

This situation could have produced disharmony between the two profes-sions, if not outright hostility. The Working Party for the SSAP which has actuarial representation - attempted to defuse this potential

conflict when it set out the ground rules.

It established very general principles for calculating pension costs, while leaving the actuary to use his professional indgement on the method and assumptions used in reaching a

The methods and assumptions must be disclosed, however, in the notes to

In practice, it was expected that the actuary would discuss his procedures with the euditor before producing a

system would ensure a smooth relationship between the two professionals and avoid awkwardness later with an auditor seeking information and questioning the actuary's

Consequently, actuaries have a choice of calculation methods which they can use - although some actuarial costing methods do not conform with the standard — and considerable freedom in the underlying assump-tions used, such as investment returns, earnings growth, inflation, mortality and other demographic fac-

The authors have surveyed methods and assumptions used by actuaries in SSAP 24 calculations. Their survey shows actuaries are making full use of the flexibility. In particular, there was considerable variation in the method used to spread forward the effect of variable items like a pension surplus.

sion surplus. Actuarial assumptions on real rates of investment return over growth in earnings varied from 1 per cent to 3 per cent, with extremely optimistic actuaries using 3.5 per cent and real rates of return over prices that ranged from 3 per cent to 5.5 per cent.

The euthors also found that the choice of amortising any pension

choice of amortising any pension acheme surplus or deficiency produced widely differing reported pension costs – and widely different company valuations.

It appeared from the society's meeting that both actuaries and accountants were still finding problems in

implementing the standard.
Investment analysts apparently are making no ettempt, however, to understand the implications of SSAP 24. They take the pension costs as shown and make no adjustment in

inter-company comparisons.

Some large accountancy firms have held seminars for analysts on the effects of SSAP 24 but without much

Actuaries and accountants at the meeting stressed that one year's pen-sion cost taken in isolation did not mean very much. The main benefit would be in the trend of costs over

onger periods.

While the market is not differentiating between pensions costs in com-pany comparisons, however, finance pany comparisons, however, imance directors will be tempted to get the actuary to use the most favourable method and assumptions.

The authors' proposed solution was to amend the standard to be far more specific on the actuarial methods and

They felt that the best way forward was for SSAP 24 to move towards the US FAS 87 pension cost standard, which imposes one actuarial method, one amortisation method and tight control of actuarial assumptions — with the company rather than the actuary determining the factors in the

This recommendation was not favourably received by most actuaries at the meeting. It was felt to be still far too early to make judgments on the workings of SSAP 24.

The authors' proposal would hand over a key aspect of actuarial work to accountants and finance directors and leave actuaries as mere calculators.

accountancy firms now have actuarial departments, even the actuarial calculations could be done in-house in many cases.

Accountants at the meeting made it clear, however, that they have no desire, at least in the immediate

future, to take over the actuary's role in calculating pension costs. They have enough problems of their own in auditing accounts.

What accountants are looking for, however, is co-operation between actuaries and themselves at all stages

of the process.

While this is already happening in cases where general, there are cases where accountants are being presented with pension cost figures as a fait accompliand are expected to accept them with no more than superficial inquir-

The meeting agreed, however, with the authors' contention that far more disclosure was needed on the underly-ing calculations and mathods that were used to produce the pension cost

SSAP 24 and the subject of account-ing for pension costs will continue to be a matter for discussion between the two professions for many years to

Now investment analysts need to be * Copies of the paper, entitled SSAP 24 - Eighteen Months On, are available free from Angela Jones, William M Mercer Fraser Limited, Mercer House,

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Résumés, with doylime telephone number please, to Chris Haworth, Ref CH632, Coopers & Lybrand Executive Resourcing Limited, Shelley House, 3 Noble Street, London EC2V 7DQ.

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delegate day-to-day responsibility for these tasks in order to concentrate on broader considerations: self-motivation and initiative on the part of the appointee are, therefore, absolutely essential.

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Ascot, Berkshire

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C.V. to Michael Chick, Managing Director Acal Electronics Ltd Glendak Park, Fernbank Road Asoct, Berkshire SL5 8JB 0344 885661

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CORPORATE FINANCE

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Financial Controller

Central London

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c.£33,000

accountants, the financial controller will be responsible for all group reporting requirements. There will be a particular emphasis on implementation of new costing systems.

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To be considered for this position please send a cv or telephone Nicolas Mabin (01-928 2000) at Ernst & Young Search and Selection, Becket House, 1 Lambeth Palace Road, London SE1 7EU, quoting reference F/610/N.

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Financial Controller Director Designate

Swindon

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Candidates must be professionally qualified, preferably tered accountants, unlikely to be less than 30, with five years line

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management experience in a fast moving marketing or distribution environment. Communication and interpersonal skills are important, as is independence and an energetic business approach to corporate development in a fast changing market place. Experience of computerised systems and international trading would be an advantage.

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medium sized group. This will have resulted in responsibility for interpreting management information and considerable involvement with financial institutions through acquisitions/ disposals etc. Alternatively, experience could have been gained within a corporate finance function in a role responsible for appraising, funding and monitoring businesses.

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City

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emphasis on costing and on close monitoring of budgets. This demanding role will appeal to a qualified accountant (ideally CIMA), probably aged between 27 and 33, who wishes to assume personal responsibility for the accounting control of a total business. Good interpersonal and presentation skills will be essential for this style

conscious environment. To be considered please send a cv or telephone Nicolas Mabin (01-928 2000) at Ernst & Young Search and Selection, Becket House, 1 Lambeth Palace Road, London SE1 7EU, quoting reference F/720/N.

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Your brief will be wide-ranging. As an early priority, you will want to upgrade current systems and establish new controls in order to improve the quality of financial and management information. This may necessitate restructuring your financial team, and will involve updating computer systems. You will work closely with the Managing Director on strategic issues, planning for future growth of the business and presenting agreed financial targets to the Group

To meet the challenge of this new position, you will be a graduate qualified accountant, whose training may have been obtained in the profession. You will be dealing with creative individuals and will need to empathise with their environment. A knowledge of advertising would be an advantage. But it is more important that you are determined, communicative and commercial.

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Candidates are likely to be qualified accountants in their early/mid 30's who appreciate the difference between a score-keeper and a finance manager. They will have strong analytical and communication skills, sharpened by several years in a commercial business environment. They must also possess the drive to succeed in a company whose target is a ten-fold increase in sales over the

Interested candidates should send a comprehensive CV, including salary history and daytime telephone number and quoting Ref. 3060 to Vivienne Hines, Executive Selection Division.

△Touche Ross

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Dirk Degenhart or Vinit Vedi (ref: PGM 936), Dirk Degenhart & Partners Limited, Management Search & Selection, Swan Centre, Fishers Lane, London W4 1RX.

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All replies to this advertisement will

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Executive Selection Division Price Waterhouse **Management Consultants** No. 1 London Bridge London SE1.9QL

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MANAGER OF REPORTING AND ANALYSIS

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7

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プライス・ウオーターハウスは、英国における金 その一例です。更に私達の主要業務は、会計経理。 システム、あるいは、一般ピジネスの知識を必要と しますので、志望者はこのような分野のいずれかの 経験が求められます。また経営学修士号(MBA)また は、同等の資格を持っている場合には、なお有利です。

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Please send CV to Ian Tomisson, Douglas Llambias Consultancy Services, 410 Strand. London WC2R oNS quoting ref FT2311R.

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For further information

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For further Information

Accountages Po 30-31 The Broa

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For further information contact: 30-31 The Broadway, Ealing W5 2NP Tet: 01-579 6585

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Accountancy Personne

You don't just count you matter

FINANCE MANAGER

Hertfordshire

c. £27,000 + car

Our client is a leading firm of consulting engineers employing nearly 500 stall, with a turnover of £14ml 1 he UK Head Office is located in central Hertfordshire.

Our task is to assist in the recruitment of a finance manager to undertake a broad accounting role assisted by a small team. Reporting to the group financial controller, responsibilities will include treasury management, preparation and monitoring of budgets, expenditure reporting, and preparation of accounts for the group's subsidiaries.

The ideal candidate will be a computer literate qualified accountant, probably aged around 30, with a sound background in management accounting and control information preferably gained in the service sector. A proactive self-starter with a strong commercial instinct will play a key role in the financial development of the company.

Please write in confidence quoting reference 17009, with full career details and remuneration history to:-

Martyn Clarke, Executive Selection Manager Moore Stephens Associates Limited, 1 Snow Hill, London EC1A 2EN.

MOORE STEPHENS ASSOCIATES = MANAGEMENT CONSULTANTS

Financial Controller/ **Potential Financial Director**

Circa £22,500 + car + relocation to Suffolk + benefits.

An established, progressive, family owned and managed company (sales £2.5 million per annum) requires a Financial Controller/Potential Financial

Reporting directly to, and working closely with, the Managing Director the successful applicant will be responsible for the full finance function in a complex manufacturing enterprise. This challenging post provides an excellent opportunity to introduce

modern financial disciplines with strong commercial involvement as a key

member of the top management team. Candidates should be qualified accountants with first-class experience in costing, computerised accounting, stock control systems and cash control. Reply in confidence to: Patrick Nisbett, Managing Director The Lavenham Rug Company Limited, Long Melford, Suffolk CO109LL



FINANCIAL/MANAGEMENT **ACCOUNTANT**

Salary £ Neg Package

eto client is an expending group in the property services industry. ng, budgeting, systems appraisal and will be reporting directly to

resini epolicant will be a substily qualified accountant, professibly characters, interests, some experience in industry/commence, who passesses strong iestion stills and initiative. Working very closely with the main Board, the half epolicant should be commercially aware and will be expected to the group culminating overstally is becoming successful applicant should be concentrated to the development of the

Appointments Advertising

For further

information

call 01-873 3000

Deirdre McCarthy ext 4177

ext 3694

Elizabeth Arthur

Nicholas Baker ext 3351

GROUP FINANCIAL CONTROLLER

Age 30-45 Hemel Hempstead

c£45,000 package + exec car + benefits

Our client is a manufacturing and distribution public Group (t/o £100m) that has grown both organically and by acquisition. As the 1990's approach, the Group has defined a state by which will strongly commit it to the development of its 3 area by increased by the committee of t of its 3 core businesses by a vigorous marketing policy and efficient use of existing resources. Peripheral activities will be dispensed with; additions will be sought in its determination to increase profitability. To assist the Group FD with the implementation of Group-wide planning policy, exercise tight financial control and responsive reporting, a high-calibre professional is required to head up a small accounting term. up a small accounting team.

The role will be very demanding and extremely varied. It will encompass monitoring results from subsidiaries, monthly reporting to the Board, forecasting, budgets and consolidations. PLC requirements will include interim and final accounts; as well as italison with the external auditors. Investigations and circulars relating to disposals and acquisitions will be part of your role as well as many ad hoc assignments. You will also be expected to take a pro-active role generally in systems development.

You will be a qualified accountant, probably chartered, with excellent technical and communication skills. You should be self-motivated, have commercial instincts and a "hands-on" approach. You could be either aiready in a Group role, or a senior manager in the profession. In either case, you should be able to make a significant impact on the Group in the 1990's. To apply, please write to or telephone Karen Travis or Lawrence Bu Manchester office, quoting sef MX146.

Amethyst House, Spring Gardens, Manchester M2 1EA. Tel: 061-834 0618 Fam: 061-832 9123

ASB RECRUITMENT LTD A Division of ASB Bar

Financial Director (Designate)

London EC1

c £40,000 + car + Profit Share

Our Client, a private, Independent trading company with International interests, is looking to recruit a capable, experienced qualified accountant for the position of Financial Director

The Company, whose interests embrace the mining and sale of precious minerals, has a turnover of \$200m with a healthy level of profit.

Reporting to the Chalman and Managing Director and working closely with the other directors, the position will have responsibility for the financial, computing, secretarial and administrative activities and ensure that effective control systems are implemented to provide a cost effective service to the Directors. As part of the senior management team the Financial Director (Designate) will be responsible for the reporting requirements of a private company together with responsibility for company secretarial matters.

Applicants for the position, ideally graduates, aged 30-45, should be qualified accountants with at least four years' appropriate management experience gained, preferably, in a trading/service industry environment. Familiarity with small/medium sized organisations and modern computer techniques are essential: Experience of working overseas, together with a working knowledge of French, would prove useful as the role will Involve a degree of international travel; mainly in Europe. ---

Interested candidates should send a detailed comprehensive curriculum vitae, with salary details and quoting reference 4411 to:

> Peter Childs, Director Pannell Kerr Forster Associates **New Garden House** 78 Hatton Garden **London ECIN 8JA**



UK FINANCIAL CONTROLLER

LONDON W11

CIRCA £32,500 + CAR + Share options

Blenheim Exhibitions Group PLC, with a current annual turnover of over £70 million, has rapidly established itself as the leading and largest exhibition organiser in both the UK and Europe. This period of excep-tional growth has been achieved through an aggressive acquisition strategy coupled with strong organic growth and is largely attributable to the Group's young, highcalibre and forward-looking management

As a result of this expansion, the group is looking for a dynamic and energetic UK Financial Controller.

Reporting to the UK Finance Director, you will be directly responsible for UK reporting, financial planning and development of the financial control systems throughout

the UK. Ideally you will be aged 27 - 32, a chartered accountant with reporting experience, possess sound commercial judgement and be able to demonstrate significant career progress to date.

This role will appeal to candidates who want to work for a fast moving group, in a close knit environment, where a "hands on approach" is essential. It offers a significant opportunity for the ideal candidate to play a key role in the group's future develop-

Please apply with full cv to: Susan Smith Blenheim Exhibitions Group PLC Blenheim House 137 Blenheim Crescent London W11 2EQ

BLENHEIM EXHIBITIONS GROUP PLC

GROUP FINANCE DIRECTOR

Sheffield

Our client is a substantial (t/o c£20M) and growing engineering manufacturing group, with world-wide markets. The Board wishes to appoint a Group Finance Director, also responsible for the Personnel and DP functions, who, in addition to his/her functional activities, will play a strategic role as a member of the

We seek a proactive industry-orientated chartered accountant with presence, authority and sensitivity together with a capacity for managing change. Though some familiarity with the engineering environment would be helpful, of more importance are knowledge of, and experience in, growth in a group context, including acquisitions, and international trading activities.

A WEALTH OF

EXPERIENCE

£30K neg+Equity

Remuneration (salary+bonus) around £30K, Car, Pension, Opportunity for equity participation.

For further details write with relevant information to: David Mackintosh, 3i Consultants Ltd. 34 Park Cross Street. Leeds LS1 2QH. quoting ref: DM/884.

3i Consultants Ltd Human Resources

Financial Director

East Midlands

£33,000 + Car + Bonus

Our client is a highly successful manufacturing group connected with the leisure industry, with a turnover in excess of £20 million. This PLC has grown both organically and by acquisition to become one of the Top 5 in Europe in their field, and has ambitious expansion plans for the future,

both in the UK and across the globe. As Finance Director, you will be one of four executive directors and have full responsibility for

the finance function, as well as the Group's Management Information Systems. You will also be expected to use your commercial knowledge in the policy making procedures as a main board Director. In addition to being a qualified accountant you will:

* have significant experience in the manufacturing sector

★ be computer literate

- ★ have a 'hands-on' approach
- * be happy in an open management style ★ be aged in your late 30's/early 40's
- * have sound managerial and interpersonal skills
- * receive an excellent remuneration package, including a bonus scheme of 15%, relocation and

If you feel you have the required knowledge and skills please reply enclosing a comprehensive CV to Paul MacIldowie ACA at Michael Page Finance, Imperial Building, Victoria Street, Nottingham NG1 2EX.

Michael Page Finance

London Bristol Windsor St Albans Leatherhead Birm

INFORMANAGEMENT Our Client is an International market leader involved in the manufacture

development and marketing of a diverse range of 'household name' branded products. A recent acquisition in the UK has reinforced its position as a major force in the marketplace and has created an organisation structured

A senior finance professional is now sought to assist with the management and development of the business. This will be achieved through the provision of high quality management information and the financial control of management accounting records. Responsibilities will involve the supervision of a professional management accounting team, extensive liaison with other senior finance staff as well as exposure at Board level and overall control of the product costs of the company.

Candidates will be qualified Accountants aged 26-35 with post qualification experience gained within a FMCG business. Broad based experience is essential. as well as an ability to manage a complex accounts department responding to strict reporting deadlines.

This autonomous and responsible role offers excellent prospects to full Controllership within two years.

Please apply directly to Suzzane Wood at Robert Half, Freepost, Princess Beatrice House, Victoria Street, Windsor, Barks SLA 1YY. Telephone: 0753 857777, or evenings on 01-876 5405. Alternatively, fax your details on 0753 841676.

Financial Recruitment Specialists London · Birmingham · Windsor · Manchester · Bristol · Leeds · Brossels - USA - Canada

Financial Accounting



LIDER MAINS BOND COLORED IN 1995 THE P.

c.£33,000+Quality lease car +first class benefits

Our client is a major diversified business with a large customer base, on the threshold of significant changes and new challenges.

The role is to develop policies, procedures and controls to meet our client's need for timely and accurate top class financial accounting information, including corporate published accounts. Reporting to the Financial Accountant, you will manage significant staffing and state of the art computer resources to meet challenging objectives.

This senior role offers excellent long term career opportunities. The appointment demands a high calibre qualified accountant with strong analytical ability, well developed managerial skills and a proven track record in a substantial and successful commercial entity.

The comprehensive remuneration package is competitive, including pension and a flexible car scheme. Assistance with relocation costs would be available if necessary and the company offers an attractive working environment.

If you think you are the self-starter we are seeking, please write to Geoffrey Rutland, FCA, ATII, at the address below, quoting reference 1611, and giving concise career and salary details and a daytime telephone number, or phone him on 01-583 3303 (office) or 01-878 8395 (home).

BDO Binder Hamlyn Management Consultants 8 St. Bride Street, London EC4A 4DA

INVESTMENT MANAGER To \$25,371 + bonus + Essential User Car Allowance + Relocation expenses to £3,700

Our previous Manager has recently moved to a senior position in the private sector. Have you the ability to

- maintain oversight of the County's Pension Fund of £430m • actively manage approximately half of the Fund's invest-
- match our current track record of being the second best performing LG Fund over the last five years
- ensure the efficient management of the Council's annual cash flows of approximately £2bn and capital homowing

If you think you have, then we would like to hear from you. Although not essential, a professional accountancy qualifi-cation (preferably CIPFA) would make you an even more

Interested? Then either George Southern, (Director of Finance) or Ian Crookham, (Senior Assistant Director) on (0482) 867131, ext. 3182 or 3331, would be glad to discuss this opportunity with you on an informal basis. Alternatively, application forms and information pack are obtainable by writing to the Director of Finance, Humberside County Council, County Hall, Beverley HU17 9BA, or by telephoning (0482) 867131, ext. 3381.

> HUMBERSIDE COUNTY COUNCIL

Closing date 8 December 1989.





Divisional Accountant

Peterborough

to £30,000 + Car + Relocation

Freemans is a highly successful £550 million turnover home shopping group. Their reputation for fast service and innovation has enabled them to gain a major share of the UK mail order marker. Freemans is a key Company within the Sears retail group with plans for expansion and increased market penetration that are second to nane.

We now need a Divisional Accountant at the Company's Distribution Division based at Peterborough, to head up a mature departmen responsible for all accounting and finance, purchasing and stock control matters for the division.

Reporting to the Divisional Manager, you will be responsible for over 60 people and will be aided by three Senior Managers. The role will naturally involve responsibility for the completion of all historic accounting data, but will also

encompass the vital business functions of forecasting and budgeting on a rolling basis.

The successful candidate will: * be a qualified accountant

- * have at least three years' post qualification
- expenence
- ★ possess excellent man management skills * ideally have experience in a related business
- be young enough to see this challenge as a further step in a career within an expanding company
- * receive an excellent remuneration package. Interested candidates should contact Paul MacIldowie ACA nn (0602) 483480 or write to him at Michael Page Finance.

Imperial Building, Victoria Street, Nottingham, NG1 2EX.

Michael Page Finance International Recruitment Consultants

London Bristol Windsor St Albans Leatherhead Birming Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

Corporate Controller, Europe SVENSKA FINANS INTERNATIONAL

Based: London

£40,000 Package

Svenska Finans International is a highly profitable finance group of a major AAA rated European Bank. We coordinate the provision of 'made to measure' asset based financing to third parties via an expanding network of six European offices. As a result of this growth and the increasing complexity of our Euopean operations, we intend to create the new role of Tax Manager/Controller reporting directly to the Director, Control and Administration.

The principal responsibilities of this position will be to further develop and monitor the financial and statutory reporting process throughout the Group in order to optimise the tax position of all Group Companies. In particular:

- Monitoring of local financial positions with functional responsibility towards local controllers;
- refine systems of control to ensure compliance with local statutory and EEC regulations, accounting and industry standards;
- filing of appropriate returns with local authorities and liaison with external advisors/auditors regarding statutory accounts, tax returns and other Company Secretary matters.

The successful candidate aged 28-35 years will probably be a chartered accountant with significant experience within the European sphere. In addition he/she will possess:

- experience in Intercompany charges/pricing
- a knowledge of the financial services/leasing sector gained either from within the industry or as an external auditor to financial services/leasing clients
- a broad experience of European tax matters including double tax treaties, withholding taxes, trade taxes, VAT and corporate taxes.
- a knowledge about capital coverage/gearing requirement for Pinance companies within EEC.
- a commercial, work orientated approach combined with excellent communication skills.

Due to the international nature of the role, candidates who have the ability to read and speak German will be preferred. A knowledge of either Spanish or a Scandinavian language would also be useful.

This a newly created position which offers excellent opportunities within a fast growing European group with and regular European travel. Interested candidates enclosing a comprehensive curriculum vitae to Thomas Lundgvist, Svenska Finans International, 3-5 Newgate Street, London ECIA 7DA, or telephone him or Paul Turrell on 01-329 4483

THE FALKLAND ISLANDS COMPANY LIMITED

HIEF EXECUTIVE

To be resident in Stanley, Falkland Islands c.£45,000+Housing+Benefits Package

Following the acquisition of The Falkland Islands Company Limited ("FIC") by Anglo United plc in August 1989, the management structure of FIC is to be strengthened by the appointment of a Chief Executive to be resident in Stanley.

FIC was incorporated by Royal Charter in 1851 and is the major trading force on the Islands. Together with associated companies, its turnover in 1988 was £15m, arising principally from retailing, the farming of 800,000 acres, wool marketing, shipping and deep-sea fishery

In recent years the Falkland Islands have enjoyed a period of substantial economic growth; Government revenues now amount to some £40m, a marked increase over less than film at the beginning of the decade. Through undertaking an active investment programme, the successful applicant for this very independent command. will lead FIC into the 1990s, so ensuring that the company continues to play a major role within the Islands.

The selected candidate will be a first rate entrepreneur. An innovative approach combined with strong management skills is of paramount importance. Though not essential prior experience of the construction/contracting industry or of international trading may be preferred. A track record of success to date must be demonstrated.

The remuneration package (including share options, education, housing and travel) will be constructed to meet the requirements of the successful applicant, who will enter into a contract for an initial period of up to three

Applicants of either sex should send their CV, marked "FIC-to be opened by addressee only", to

H S Muirbead Esq., Company Secretary, Anglo United plc, Newgate House, Broombank Road, Chesterfield

ANGLO UNITED plc

GROUP ACCOUNTANT

We are a 'privately' owned, long established, London motor group. We are looking for an energetic young accountant to inject new blood into the business.

We take it for granted that you will be comfortable with computerized management accounting disciplines, and be a competent manager of people.

As well as assuming overall responsibility for the accounting aspects of our business it is imperative that you contribute actively at board level to planning of our continued growth and financial success.

This is a key appointment for us and we offer a substantial salary, company car, BUPA, private pension plan and scope for considerable job satisfaction.

Please apply by letter Box A1396, Financial Times One Southwark Bridge, LONDON. SE1 9HL

C£21K + BONUS + CAR + BENEFITS Supplying and processing raw materials with a turnover of £7.5M, this company now part of a vast worldwide group is preparing for further expansion. The management team now requires an effective Financial Manager capable of significantly contributing to their future arouth.

Financial Manager capable of significantly contributing to their future growth.

Reporting directly to the Managing Director, you will provide management accounts, forecasts and budgets and be responsible for the complete financial and administrative function.

A qualified Accountant, ideally aged 35-40, with minimum 5 years management experience within a related industry, practical capability, strong man management skills and the desire to be instrumental in future success is essential.

Please apply with full C.V. quoting Ref: PT/FACS, to Alex Mead, PER Recruitment Consultancy, 75 Sankey Street, Warrington, Cheshire WAI ISL.



Major Projects Audit

to £35,000 + Car

Our client is a key player in the provision of high technology services for the aviation industry. The scale of the arganisation's ongoing capital investment programme, primarily in the field of sophisticated electronic installations, establishes their need for project audit and review of the highest calibre.

A pra-active and enthusiastic leader, you will bring a progressive and cammercial approach to the planning and development of audit as a crucial element in project called. The range of assignments is varied and demonding

element in project cantral. The range of assignments is varied and demonding with total invalvement anticipated, of both leader and team, from early

Cantract negotiation to final completion stage.

The role requires o Qualified Accountant with the professional depth ond experience of large scale, long term projects to respond fully to the substantial technical and management demonds of the position. The obility to work with canfidence and influence at senior executive level is vital. Future career prospects are both excallent and diverse. Base Location: Central

Pleasa reply in cantidence, or telephone for further details, quoting

Margaret Mitchell FCCA Mason & Nurse Associates 5a Station Road, Egham Surrey TW209LD, Tel: 0784 71255 Offices in London, Birmingham and Egham

Mason & Nurse

FINANCIAL DIRECTOR

(DESIGNATE)

Age 28-35 East Midlands

c£30,000 + benefits + car

Our client is an autonomous subsidiary of a successful public Group with a roll-on turnover now in excess of £6m. It has built an excellent reputation in its niche sector by establishing an impressive product range through 'in-house' development and selective acquisition of complementary ranges. It has maintained its competitive edge with a major investment programme in 'state of the art' CAD/CAM techniques. With healthy order books and a clearly defined

strategy for European expansion, the prospects look very exciting. Poised to exploit the obvious benefits of 1992, a challenging opportunity has arisen for a finance professional with a proven 'track record' in manufacturing. Reporting to the Managing Director, your role will be to spearhead the finance function, improving where necessary your accounting team, and developing more sophisticated systems. You will set up a coherent management information package, establish tight financial controls, and provide meaningful monthly reporting procedures. Cash management, budgeting and strategic planning are other important features. In fact, as a key member of the executive team your contribution will impact on virtually all aspects of the business.

ability to initiate change as well as the stature to be readily accepted by your agues. You should have excellent communication and commercial skills and

the ability to lead by example. ne Chris Davis or Lawrence Bernett at our

To apply, please write to or telephone C Birmingham Office, quoting ref BX120.

Wellington House, 34 Waterloo Street, Birmingham B2 51]. **Tai: 021-233 0101** Fax: 021-233 0027

ASB RECRUITMENT LTD AD

Nottingham and Swindon

ACQUISITIONS MANAGER

WHIND EN EN COMOCHE

Surrey

c £30K + bonus + car

Ourclient, an acquisitive UK plc, turnover in excess of £40m, with significant overseas subsidiaries, manutactures and distributes worldwide a range of angineered products. Polsed to enter an exciting period of growth, both organic and through acquisitions, they seek to expand the small, high

Reporting to the Group Finance Director, the appointee will be an ambitious, qualified accountant, aged 28-32 with experience of acquisitions and a sound knowledge of corporate taxation. Personal qualities sought include drive, commitment, and the ability to contribute at a senior level.

The package includes a salary of circa £30K, bonus, company car plus usual fringe benefits.

CON DAG I

For further details and an application form telephone Guildford (0483) 300938 (24 hours), or write in confidence with CV to Peter Page, Senior Consu nsultants Limited, 3 The Bittings, Walnut Tree Clos Guildford, Surrey GU1 4UL, quoting ret: PP/886.

3i Consultants Ltd

profile, group finance team.



Audit/Technical Manager Partner Designate

Cheshire

To £30,000 + Car

Our client is a vigorous young Accountancy practice, developing repidly through acquisition and organic growth. Operating through a branch network it offers a comprehensive range of financial services to a varied and expanding client base.

To facilitate future development a challenging new post has been created and will appeal to a commercially oriented manager who enjoys managing change. You will be responsible for creating a Central Audit Unit embracing the planning and management of the practice's larger audits, together with the appraisal and restructure of audit and internal compliance programmes. In addition you will control the training and development of all accounting staff.

Our ideal candidate will be a chartered accountant with a test four years post qualification experience in the above areas gained within one of the major practices. First class communication skills, the ability to influence change and make things happen are essential.

Conditions of employment are attractive and salary will not be a barrier to the right candidate.

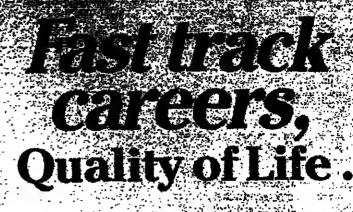
candidate.

Please telephone for an application form (calls are answered 24 hours a day) or send comprehensive curriculum vitae quoting reference number DP/961 to:



Bryan Greenwood THE JOHN DALTON PARTMERSHIP LIMITED 4 Post Office Avenue SOUTHPORT PR9 0US Tel: Southport (0704) 38776 Fax: Southport (0704) 48912

THE JOHN DALTON PARTNERSHIP LIMITED



Our client is one of the worlds leading energy companies and commands an important position on the UK economic scene as a major investor and traphyer, an award winning exporter and a developer of world leading technology, it is part of one of the worlds largest companies, a manufacturer of chemicals and speciality products.

Combine this with Ahardeen a city with advanced communication fails throughout the business world but at the same time atwated within beautiful Scottish countryside. It is a city on the move, developing its future beyond 2000, and providing a quality of the sedom available in the south.

Our client has recently increased its presence in Aberdeen, reflecting its commitment to the long-term fature of its business in Scotland, and this has created a number of opportunities in the following treas:

- Investment Appraisal
- Tax/Business Planning Management Accounting
- Financial Accounting

The successful management of these complete developments requires well educated, highly aled linance and accountancy profes strong commercial awareness. The scope not only forming people to builds rewarding career by gastital contribution to continued spocess but

For further information on opportunities within Aberdeen contact Hilary Mackay on (0224) 648062.

69 St Vincent Street **GLASGOW G25TF** 041-221 4166

498 Union Street ABERDEEN AB1 1TS 0224-648062

63 George Street EDINBURGH EH2 2JG 031-226 6222

Ludgate House 107-111 Fleet Street LONDON EC4A 2AB 01-353 1244

ASA International



FINANCIAL ACCOUNT

Buckinghamshire

Age 25-30

Package to £28,000 + Car

Babcock International Group Pic is an international market leader in the fields of power generation, process plant contracting and high

It has recently established a new head office in Amersham and is looking to recruit a young professional to work within the group accounting

The role will encompass all aspects of finance and specifically includes: preparation of published accounts and group budgets, financial systems development, cash flow reporting and cash management.

The role will appeal to enthusiastic, qualified accountants who wish to gain exposure to the highest levels of management in a quality organisation. Candidates must therefore be able to demonstrate excellent communication skills as well as strong technical ability.

The generous salary package reflects the importance of the role. Future prospects will be limited only by personal ability.

Interested applicants should telephone Ken John on 01-437 0464 or write to him, enclosing a detailed CV, at the address below.

ROBERT • WALTERS • ASSOCIATES

RECRUITMENT CONSULTANTS eens House I Leicester Place London WC2H 7BP

Appears every

Wednesday and Thursday

APPOINTMENTS

ADVERTISING

For further information call

01-873 3000

Nicholas Baker ext 3351

Deirdre McCarthy ext 4177

Elizabeth Arthur ext 3694

Finance Director

East Anglia, To £40,000, Car This highly successful, profit accountable division (T/O £60m+) of a major plc is in the middla of an aggressive business development programma. Further acquisitions in mainland Europe and North America are planned to occur within the next

two years.
Reporting to the managing director, the role encompasses all aspects of e senior financial position with strong emphasis on performance evaluation of operating subsidiaries, working capital management and the devalopment of systems to meet the ever changing needs of the business. As a key member of the divisional board you will provide support and guidance on strategic planning matters. Additionally, you will also be expected to make your own constructive input to this decision making process which will shape the development of the business both at home and overseas.

Candidates, aged 30-40, should be qualified accountants who can demonstrate a strong track record of achievement at Senior Management level within an internetional, multi-site, Management level within an internetional, multi-site, manufacturing environment. A businessman, as much as an accountant, your strong character and ambition should be supplemented by first class interpersonal skills. A European language would be advantageous. The package includes relocation assistance to this attractive, yet affordable, part of the

Male or femala candidates should submit in confidence a Male or remain candidates should sensite in composite a comprehensive c.v. or telephone for a Personal History Form to, D. Pottier, Hoggett Bowers plc, 11-12 Queen Square, BRISTOL, BS1, 4NT. 9272-298433, Fax: 9272-279714, quoting Ref. D16015/FT.

Hoggett Bowers

BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, EDINBURGH, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NUTTINGHAM, SHEFFIELD, WINDSOR
A Member of Blue Acrow plc

Group Finance Director

A key role in an expanding Plc Central London c £45,000 + benefits package

The company, a fully listed pic operating predominantly in the retail and financial services sectors, is actively pursuing a policy of growth, both organic and through continuing acquisition. A Finance Director is required to help assist this process and to oversee the successful integration of operating subsidiaries into the group. Current turnover is around £50m.

Reporting to, and working closely with, the Chairman the position will play an active role in the group's commercial and strategic decisionmaking as well as having total responsibility for all aspects of the finance function. This will involve a

review and upgrading of the head office and subsidiary company finance functions especially with regard to the introduction of improved management information systems.

Candidates should be Chartered Accountants with Pic experience who can demonstrate strong commercial decision-making skills while retaining close operating control of a decentralised finance function. This experience should, ideally, have been gained in a service industry environment. Experience of acquisitions, from initial investigation through to successful negotiation would be especially useful. Above all however we seek an individual with the

stature and authority to take control of the function, combined with an innovative, commercially aware and forward-looking approach.

A competitive salary and a benefits package, which includes performance incentives and share options, will be negotiated with the successful candidate. In the first instance please write, enclosing a full CV and quoting reference E/0031 to Christopher Bainton: **Executive Selection Division**

Price Waterhouse



ISITIONS/CORPORATE FINANCE EXECUTIVE

Newly Qualified ACA

During the last five years our Client has grown from a single loss-making foundry with sales of £4 million into a highly successful group of companies with a major presence in manufacturing and entertainment. With a turnover in excess of £400 million, Parkfield's exceptional growth has been achieved through a unique blend of acquisitions and major investments.

Parkfield's Corporate Finance team has played a key role in this period of intense activity and will continue to do so in the future. The company now wish to further strengthen the team by recruiting an exceptional young Chartered Accountant who has the potential to develop as a fully fledged member of the team, whose primary involvement is in acquisitions and capital investment appraisal.

You will be exposed to every stage of the acquisition process from identification of potential targets through to completion. This will involve analysing and evaluating the opportunity from the market, strategic and financial viewpoint. You will also be involved in liaising with and co-ordination of third parties, as well as undertaking investigations, preparing due diligence reports and negotiating legal agreements.

Candidates for this rare opportunity will be young newly/recently qualified Chartered Accountants of the highest calibre. Previous experience of Corporate Finance will not be necessary. You must be astute, have exceptional interpersonal skills and must be able to work flexibly in a fast moving and pressured environment.

Please apply directly to Suzzane Wood at Robert Half, Freepost, Princess Beatrice House, Victoria Street, Windsor, Berks SL4 1YY. Telephone: 0753 857777, or evenings on 01-876 5405. Alternatively, fax your details on 0753 841676.

London · Birmingham · Windsor · Manchester · Bristol · Leeds · Brussels · USA · Canada

Mortgage **Finance**

FINANCIAL CONTROLLER

c£40,000 +car+mortgage An independent subsidiary of one of the world's largest and most influential financial services groups, our Central London based client is a rapidly developing mortgage company with a significant presence in its competitive market.

Reporting to the Managing Director, the Financial Controller will play a key role in the further development of the business. Emphasis will be on the financial monitoring of a new joint venture involving regular contact with other areas of the group, specialist mortgage lenders and banks.

Preferably aged under 35, applicants should be qualified accountants with financing or treasury experience, ideally gained in the mortgage finance market. Strong interpersonal skills are required to ensure ready acceptance at senior level. Success in this role is likely to lead to a board appointment.

Please write, enclosing a full career/salary history and daytime telephone number, to David Tod BSc FCA quoting ref. D/883/MF.

Deputy to Director of Finance

Circa £25,000 + car

Our client is an established and progressive international service group with a UK turnover in excess of £55 million. Continuing plans for expansion have created the need to strengthen the management team by appointing a deputy to the Director of Finance at the UK Head Office in the Midlands. This new opportunity will appeal to a qualified accountant with two to three years' post-qualification experience looking for their next career move with a major company. In addition you will need polished communication skills and the proven ability to manage, motivate and direct staff.

Initially you will be responsible for the day-to-day running of the finance team, covering all aspects of accountance, but, as your skills broaden, so will your involvement in the strategic financial management of the group offering the challenge of a continually developing role.

Rewards are excellent and a comprehensive benefits package includes car, assistance with relocation where appropriate and private health care. To apply please write with a full CV to our adviser, Mrs Dorothy Macrow, at the address below, quoting reference number C/163/ADF.

DCN RECRUMENT SERVICES
Newman House, Northgate Avenue, Bury St Edmunds, Suffolk IP32 6BB

Redundant **Executives?**

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UP TO £34K + BANKING BENEFITS + CAR

-CITY----

Our Client is a major UK-based merchant bank with significant acitivities in banking, fund management and securities trading, and operations in Europe, the USA and the Far East.

> They now wish to recruit a qualified Accountant, ideally ACA, who has the ability to reach a senior management position.

The brief involves high-level business analysis, as part of an internal consultancy group, ensuring that operational and I.T. systems are effectively developed to meet the demands of today's volatile marketplace.

The successful candidate will play a pro-active role in the instigation of change. Thus your ability not only to identify problem areas but to

produce and deliver positive solutions is critical.

A further key to success will be your skill in working closely with the bank's I.T. function to ensure effective systems are developed.

A "big 8" background, proven business acumen and first-class leadership skills are essential, while experience of the financial services sector, either directly or in an audit/ consultancy role, will also be required.

For an initial discussion, please phone Simon Girven on 01-253 7172 during office hours or after hours on 0836 219419. Alternatively, write to him quoting ref: FT6487 at: JM Management Services, 5 John's Lane, London EC1M 4BH.

JM MANAGE

Group **Accounting Controller**

Central London

Our client is a £2 billion turnover UK pk, operating internationally in a variety of high technology industrial sectors. Consistent organic growth and a programme of strangic acquisitions will continue to enhance the Group's market-leader position.

The position of Group Accounting Controller will carry responsibility for:

- Preparation of published accounts observing full
- regulatory compliance * Preparation and interpretation of monthly Main Board
- reports
 * Consolidation and review of forecasts and other
- * Control of the Head Office accounts
- finance functions and the Central Tax and Treasury

* Maintaining close liaison with the Operating Division

c£40,000 + Car

- * Leading and motivating a small central team Aged up to 40, the successful candidate will be a graduate
- Chartered Accountant who has detailed experience of the key personal attributes will include a high level of professionalism, well-developed leadership qualities and strong communication skills.

rested applicants should forward a comprehen Curriculum Vitae, quoting ref: 2615, to Alan Dickinson ACMA, Executive Division, Michael Page

Finance, 39-41 Parker Street, London WC2B 5LH. Tel: 01-831 2000.

Michael Page Finance International Recruitment Consultants

London Bristol Windsor St Albans Leatherhead Birmingham Nottin Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

Initiating change in a leading retail group



to £35,000 + generous benefits

This retail fashion group, a household name, owns and operates over 100 stores in prime locations throughout UK. Highly successful and growthorianted, they plan large scala upgrading of major computer systems and organisational development over the next two to three years.

As a leader in change management your role will involve developing policies, systems and staff (over 30 people) to meet future needs whila ensuring production of timely financial accounts to strict deadlines. You will belong to a small senior management team based at Head Office in W1.

The position calls for a qualified accountant, probably aged 30-45, with strong managerial and communications skills. You will be experienced with large computarised accounting systems, ideally in a retail, property or audit

background, and be innovative and analytical. To attract and retain highly motivated people, our cliant offers an attractive remuneration package, generous benefits and excellent career prospects for

Please write, in confidence, giving full career and salary details and contact telephone number, quoting reference 1607, to Barbare Robertson, or call her on 01-583 3303.

BDO Binder Hamlyn Management Consultants 8 St. Bride Street, London EC4A 4DA

ANALYST/RESEARCH **Media Investments**

Salary to £25,000

A newly formed venture capital organisation which will play a leading role in the formation of the emerging European media market is seeking an Analyst/Researcher

CANDIDATES SHOULD:

Be a qualified accountant/business school graduate or have a degree in Economics.

Be able to communicate well verbally and in writing.

Be interested in the media business.

Have some knowledge of a foreign language (especially French). Have commitment and enthusiasm to cope with irregular hours and deadlines.

TO APPLY, PLEASE WRITE AS SOON AS POSSIBLE ENCLOSING YOUR CV. TO BOX A1389, FINANCIAL TIMES, ONE SOUTHWARK BRIDGE, LONDON SEI 9HL

Group **Finance** Director International **PLC**

Salary In Excess Of £65,000 Plus Executive Package

Our client is e rapidly developing multi-disciplined industrial plc specialising in environmental engineering, with operations being established throughout the world. The company is cootrolled from its Head Office based in an ettractive part of the Midlands.

The substantial growth of the company has created this main board opportunity reporting directly to the Group Chief Executive. The post demands that you adopt a 'hands on' role in the financial affairs of Group companies whilst also using your skills to develop overall strategy as part of an innovative boardroom team. Candidates must possess the necessary personal impact to take this company forward to international

maturity.

You will be a qualified eccountant with management experience at a senior level in an international 'blue chip' company. A thorough knowledge of both management and financial eccounting with treasury experience is vital. Additional exposure to operating in a manufacturing or engineering environment would be helpful. Candidates under 35 will be unlikely to have the experience for this post, as are

those currently earning less than £50,000 per annum.

This is an exceptional opportunity to join an organisation still in an evolutionary stage of its development. For the right individual it will prove an irresistible challenge.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a Personal History Form to. J. Jenkins. Hogett Bowers plc, 13 Frederick Road, Edgbaston. BIRMINGHAM, B15 1JD. 021-455 7575, Fax: 021-454 2338, quoting Ref: B23006/FT.

BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, EDINBURGH, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM, SHEFFIELD, WINDSOR

Senior Management Accountant

Financial Services

c £33,000 + Car + BenefitsCentral London (Relocating to North London 1990)

Our client is a rapidly expanding financial/business services organisation. The recent past has seen significant expansion throughout the UK and future plans show further growth. As part of an extensive reorganisation programme they seek to recruit a Senior Management Accountant.

Reporting to the Divisional Manager key areas of responsibility will include:

- * the preparation and analysis of annual revenue and budget reports for senior management; * liaison with senior management in the monthly
- analysis of financial performance against budget and proposals for future pricing policies;

* development and improvements of management information reporting systems.

The successful candidate will be 27-35 years of age, with a professional accounting qualification, a proven track record within a major plc in e computerised accounting environment, and have the maturity and communication skills to deal with senior management of disciplines other than finance.

This is an excellent stepping stone to a more senior role within the organisation. Interested candidates should call Peter Gerrard on

01-831 2000 or write to him at Michael Page Finance, 39-41 Parker Street, London WC2B 5LH.

Michael Page Finance

International Recruitment Consultants London Bristol Windsor St Albans Leatherhead Brauinghi Manchester Leeds Newcastle-upon-Type Glasgow & Worldwide

COMMERCIAL

Outstanding growth coupled with strong marketing drive has made our Client a highly profitable service orientated subsidiary of e major international Pic.

which necessitate the appointment of a Commercial Manager to join the

Recognised as market leader in their field, they have exciting future growth plans

of a large, customer focussed credit function and significant involvement in new

The successful candidate will be a qualified Accountant, aged 28-35, with sound technical and people management skills. The ability to respond effectively in a fast

In exchange for your skills and commitment, our Client provides e generous remuneration package and excellent career prospects. Relocation assistance will be

Please epply in confidence to Sion Howells at Robert Half, Freepost, Brook House,

London · Birmingham · Windsor · Manchester · Bristol · Leeds · Brussels · USA · Canada

Spring Gardens, Manchester M2 8BA. Telephone: 061-238 0101 or evenings oo

061-480 0590. Alternatively, fax your details oo 061-236 1024.

moving environment along with a desire to contribute significantly within this high

Key responsibilities will include the assessment of commercial risk, the management

MANAGER

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TNT EXPRESS INTERNATIONAL UK are the leading force in European parcel and freight distribution. Providing first class services to an established, comprehensive customer base of large conglomerates and numetons individual customers, the Group are pioneers in the provision of overnight air delivery throughout Europe giving them a significant edge over the competition. With an impressive record of rapid growth, the Group are well placed for further business development.

TNT EXPRESS INTERNATIONAL UK now seeks to appoint a Financial Controller to play a critical role in their on-going success

The role carries responsibility for the co-ordination, planning and direction of the financial activities of the Group, with the objective of maximising the contribution of financial reporting and council to business plant day-to-day management, strategic thrust and profit performance.

Of significent importance will be the production of weekly and monthly reports to a strict timetable and

To succeed in this role you will be a highly motivated, young Chartered Accountant with the desire to succ in a fast moving, results orientated envir

To find out about this exciting opportunity, please telephone Steven French on 021-233 1666, or alternative to him with a full curriculum vitae quoting reference B/241/89.

KPMG Peat Marwick McLintock

Executive Selection

Peat House, 2 Cornwall Street, Birmingham B3 2DL

DIVISIONAL FINANCE DIRECTOR

London-based negotiable remuneration package c.£50.000

THIS NATIONWIDE ORGANISATION with its headquarters in London, provides a range of design project and maintenance management and estate surveying services. Recently re-organised to maximise potential business opportunities, the group seeks to appoint two Finance Directors, for each of its main operating Divisions with a turnover of approximately £160m and £260m

Reporting to the Divisional Managing Directors, the Divisional Finance Directors will be key members of each senior management team. They will make e major contribution to the commercial strategy and success of the Divisions by advising on the co-ordination and control of the business activities necessary to achieve increased

profitability and expansion. This will involve the appraisal and evaluation of existing and new business areas, necessitating considerable contact with the business managers.

These positions will appeal to commerciallyminded qualified accountants, with experience of . managing the finance function in a similar-sized group or division, preferably in the property and/or construction sector. Experience of developing, implementing and enhancing computerised accounting systems is essential.

Candidates should be highly motivated, confident and with the ability to achieve results by example

The remuneration package will include a performance related bonus.

To apply, please send cv in confidence, indicating current salary, to Fiona McMillan, Ref: 3873/FM/FT, PA Consulting Group, Hyde Park House, 60a Knightsbridge, London SWIX 7LE.

Consulting Group

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CENTRAL LONDON/CITY

Vith 23 million customers and over 245,000 employees, BT is one of Britain's major flagship companies.

For accountants in every spitere there are opportunities for challenging, dynamic work—nowhere more so than in Group Finance where strategies, systems and Treasury operations are developing at transporture as page. developing at tremendous pace.

At Senior level we're looking for e Corporate Accountant to manage the accounting and control of the Corporate HQ Ledger and Group Treasury operations. There will be plenty of scope for innovative development, particularly in the area of database systems and flexible reporting methods. You'll be exposed to a range of treasury instruments including FX and Futures,

of treasury instruments including FX and Futures, and will be dealing with a wide spectrum of Group Finance colleagues from the Consolidation Manager and Treasury Dealers to Tax, Insurance and Money Transmission Managers. For this high-profile challenge you must be a fully qualified accountant with at least 2 years exposure to financial sector accounting, either within the profession or the financial services industry. You have a good technical knowledge which will now be able to stretch and develop within the innovative environment.

At a less senter level there is an ideal

At a less senior level there is an ideal opportunity for a recently qualified accountant

or possibly even e finalist — to work in support and gain valuable experience in Headquarters accounting. Your brief will be to ensure prompt and accurate reporting of HO finance and Treasury operations and see that proper controls are implemented and adhered to. Management of a small team and the need to work on the development of systems will add an extra dimension of challenge and prepare you for rapid career progress. Treasury experience is not absolutely necessary as we will give you excellent training, however familiarity with computerised accounting systems is required.

If either of these blue-chip opportunities match your ambitions, please ring Marcia Sutton on 01-728 5101 or write with your CV to: Joanna Worrell, British Telecom Recruitment Unit, 3rd Floor, Haddon House, 2-4 Fitzroy Street, London WIP 5AD. Quote ref. F52. NO AGENCIES PLEASE

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Our client, part of a U.S. multinational group, are a well known specialist in pharmaceutical chemicals.

Due to internal changes, a vacancy has been created for the above position, which will report directly to the Managing Director.

Essential requirements include a formal accounting qualification, experience of financial management at a senior level within a multinational group and direct

international business involvement. Ideally aged early to mid forties, some experience in public accounting is thought essential, together with at least 10 years industrial exposure, including

some experience with the chemical or allied industries. In addition we seek those with experience of strategic planning, acquisition activities, and information technology.

Management style will be proactive, goal oriented with excellent people and communication skills.

To apply, please submit a brief resume, together with current remuneration level to C & M Consultants, 19/23 Bridge Street, Andover, Hants. SP10 1 BE, marked clearly, Ref. 4128.

Applications will be treated in the strictest confidence.

Financial Directors

To secure the best appointments at senior level needs more than good advice, accurate career objectives and succinct presentation.

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InterExec SMI not only provides career advice to successful executives but also retains the unique facility of our subsidiary company InterMex to bridge the critical gap between counselling and the right job.

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ACCOUNTANT? £20-30,000 An extremely well-established firm of Chartered Accountants in the heart of the West End are looking for

an erudite, young business innovator. There is a well established team of 40 who have great expansion plans in mind. This position will offer a Partnership to the applicant willing to go all out for building business. If relating to the public, and presenting proposals are amongst your fortes please call Sharon or Jumoke on 01-734 0911.

Drake Personnel Recruitment Consultants



Business Development Advisor

Salary £20,813 - £28,159



The Black Country Development Corporation wish to appoint a Business Development Advisor to provide advice and guidance to companies operating within this area. Applicants should have professional

qualifications with a background in corporate/ financial appraisal and be able to demonstrate from practical experience that they have the ability to provide a wide range of advice on sources of finance from both the public and private sector.

The successful candidate will be highly motivated and keen to make a very positive contribution to the regeneration of the Black Country, it will also need to be shown that the applicant has a determined flexible and adaptable attitude.

The appointment will carry additional benefits which will include car allowance, superannuation and, in appropriate cases, relocation expenses.

For an informal discussion please contact John de Kanter or David Sutton on 021-511 2000. Application forms and job descriptions may be obtained from Linda Clement on the same number,

Closing date for receipt of applications is Monday 4 December 1989

1

Black Country House, Round's Green Road, Oldbury, West Midlands B69 20G

IMRO Senior Compliance Officers

IMRO is one of five SROs recognised by the Securities and Investments Board with responsibility for the regulation of investment management in the UK. Included within the IMRO Compliance Department's activities are:-

- * Regular inspections of IMRO members to ensure that investors are adequately protected
- Carrying out special investigations where there is investor risk concern
- * Regular contacts with Members
- * Projects related to the development of Conduct of Business Rules.

There is currently a requirement for a number of high calibre professionals to join the existing team.

- * Graduates, probably with an accountancy
- * With first-class interpersonal skills * With knowledge of financial services
- * Keen to enhance their career in a high profile role, working in a fast moving professional

Prospects with IMRO are excellent as is the remuneration package which includes an excellent base salary and mortgage subsidy. Interested candidates should contact Karin Clarke on 0I-831 2000 or write to her at Michael Page City, 39-41 Parker Street, London WC2B 5LH.

Michael Page City

Our client is a highly respected international firm of chartered accountants. During recent years its tax department has enjoyed substantial growth throughout the country particularly in the North, which is now poised for further growth ensuring a positive outlook for the

- Your key areas of responsibility will be:
 - ♦ Maintaining a high quality service to clients. Managing and developing
- Ensuring profitability of assignments.
- ◆ Developing the tax practice

The Candidate

You will be e qualified ACA/ATII probably in the 30-35 age range. You should be able to demonstrate a high technical capability in all of the following key areas:

It is anvisaged that partnership would be offered in the medium term.

- ♦ Mergers, reorganisations, acquisitions, disposals, MBO's.
- Employee share schemes and remuneration
- ♦ Corporate tax advice work. Property transactions.
- ♦ Working knowledge of

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Newcastle or

Leeds Based

To learn more write or telephone Geoff Sims, Alreside Business Centre, 24-26 Aire Street, Leeds, LS1 4HT. Telephone 0532 461120.

All applications should be received by 6th December 1989.

The Prospects

Hays Executive Selection

Edinburgh

FINANCIAL DIRECTOR

appoint a Financial Director to the group managing company.

Our client, a small but successful property development group, wishes to

This new appointment, which comes as a direct result of a successful share

play a major role in the planned development programme within the group.

Reporting to the Executive Directors, a key role will be the negotiation and

structuring of financial arrangements with banks and other financial institutions as a source of funding the group's development programme. Also

Candidates must be qualified Accountants with several years' financial

management experience in a successful industrial or commercial sector. In

responsible and active participant at top executive team level are essential.

An excellent remuneration and benefits package is offered, together with the

addition, familiarity with computer systems and the ability to work as a

opportunity for personal development in the future growth of the group. Please write in confidence giving concise career and salary details quoting

placing, supports the group's expansion plans and is a unique opportunity to

important is the establishment and development of financial and management

Hays



CORPORATE FINANCE -PROFESSIONAL PRACTICE

ELLIOTTS is a fast expanding practice dedicated to serving the needs of entrepreneurially driven companies. Many of our clients have grown with our help to a stage where they are either developing their business by acquisition or through the introduction of equity finance.

We are seeking a qualified accountant to join our Corporate Finance Department as a Partner Designate. The Ideal candidate will already be in such a department, have strong interpersonal skills, and be looking to John a team that has a pragmatic approach to problem solving.

in return, we are offering a unique opportunity with a competitive package and the chance to become part of a dynamic team of professionals.

Please forward your C.V. to: The Staff Partner, Bliotts Chartered Accountants, Maypole House, Maypole Road, East Grinstead, West Sussex RH19 1HU.

FINANCIAL CONTROLLER **QUALITY**

E. London

PRINTING

c£28,000 + Car

Our client is an expanding and ambitious high quality printing company specialising in city and commercial printing with particular emphasis on the corporate finance

It now seeks a qualified accountant aged 28-40 to be responsible for reporting and controls, including the development of costing and other management information systems, and to work closely with the Chairman and Managing Director in the profitable development of the company.

Candidates should have a strong costing background and the capability of helping to grow the company in preparation for a stock market quotation. Promotion to Finance Director is anticipated within a period of 12 months.

Please contact D. E. Shribman for further information or write to him at the address below (Fax No: 01-404 5773).

HUDSON SHRIBMAN

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Peat Marwick McLintock

Management Consultants 24 Blythswood Square, Glasgow G2 4QS.



and Development The Company
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European

Fund Management

The Position

This new key appointment is being created to augment and develop its quoted activities throughout continental Europe. We are seeking a flexible, high calibre individual to assist Globe strengthen its presence in continental markets through quoted equity investments of all types.

Qualifications

This position would suit a graduate aged around 30. Experience and understanding at a high level of these markets and economies is important. The ability to work as part of a small UK/European Fund Management team is vital, as are communication skills.

An attractive and competitive package will be offered to the right candidate. Please reply in writing with full CV to: in Crase, Globe Management Limited, Globe House, 4 Temple Place, John Crase, Globe Mans London WC2R SHP.



FINANCIAL DIRECTOR DESIGNATE

To £30,000

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TVF is six years old. In that time the company has become one of the UK's largest independent producers of factual programmes for broadcast television. We also have leisure and non-broadcast television interests with a tumover of £6m. We expect similar rapid expansion to continue in this fast changing sector.

The successful candidata will not necessarily require experience of the television or leisure industries, but you will need outstanding qualifications and an ability not only to run the finance department but to exercise financial management throughout the company. Also in a short time we will expect you to play a central role in the running and development of the company as e whole.

We are e young company. We work as a team. This is a new appointment that stems from our success. You will be between 25 and 35. You will relish a vertical learning curve and you will expect to work with others who have your ambition, ability end drive. Otherwise you would be

Please sand applications within seven days to:

Linda Ciardiello. TVF Group,

375 City Road, LONDON EC1

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làx Manager

Banking and Financial Services City

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Spicer & Oppenheim is an international firm of chartered accountants with widely recognised expertise in banking, securities and financial services.

The firm's financial services division offers a comprehensive range of business advice including taxation, regulatory and consultancy. This advice is provided not only to the firm's extensive base of audit clients hut to a considerable number of other national and international institutions and corporations.

Due to the rapid growth in this area, the tax team is looking to recruit a tax manager with not only first-class technical ability but also a commercial outlook to contribute to the continued success of the firm and its clients.

Candidates must have sound tax experience and the ability to apply it in a realistic, constructive and practical manner. A detailed knowledge of the taxation of financial institutions is not a prerequisite for the post. Promotion prospects are excellent for the right candidate.

Interested candidates should send a detailed CV, including details of current remuneration package, to Joyce Griffiths, Group Personnel Officer, Spicer & Oppenheim, Friary Court, 65 Crutched Friars, London, EC3N 2NP



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Appointments Advertising For further information

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Exceptional opportunity for e qualified Financial Controller with hotel experience in a newly-expanded luxury hotel project on a beautiful, large, English-speaking Caribbean Island.

Salary Range - £25,000/£30,000

Please write with full C.V. to: Hotel Properties, Suite 500, Chesham House, 150 Regent Street, LONDON, WIR 5FA

Part or Newly Qualified Management Accountant

reference G431 to Ron Milne,



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T'EL.ECOM

British Telecom Customer Systems works at the forefront of Information Technology, developing leading-edge systems for major companies and organisations.

We are currently seeking a proactive Management Accountant for our product management Centre in Felixstowe to fulfill a demanding brief: to set-up onsite accounting systems, with reporting links to HQ in London, and develop financial controls and monitoring systems to give budget-holding menagers an accurate picture of costings, profitability and turnover by provided.

You'll need to secure the co-operation of managers, using your initiative and problem-solving capacity to win their support for your ideas. If not already fully qualified you'll be given study leave and course material to help you achieve your professional qualifications and we will pay your exam fees. Ideally you're a graduate with at least 2 years'
Management Accounting experience in an
Operational Company who recognises this as a
stimulating career move. Someone who will make full
use of the sophisticated database and spreadsheet systems at your disposal and the management training we offer.

The future prospects and the rewards - Including relocation; performance related pay; minimum 5 weeks holiday; and other large company benefits - are attractive, as is the lifestyle offered in and around Felixstowe.

If you're ready to grasp the opportunity, please write with your CV to: Marius Lewis, British Telecom Customer Systems Human Resources, Room 5038, BT Centre, 81 Newgate Street, London EC1A 7AJ.

For more information about the job ring Mark Binnersley on 01 356 8793. Quote ref V151/F. Closing date for applications Thursday 14th December.

HEAD OF INTERNAL AUDIT - BAHRAIN

Arab Insurance Group (ARIG) is e major reinsurer which ranks among the top 100 in the world. A substantial capital base gives the company the capacity to cover large risks and has enabled it to build up e fully international and well diversified scread of business. ARIG's global marketing strategy is endorsed by branch offices in Hong Kong and Tunis and a contact office in London.

We are seeking to fill a managerial position to head the internal audit function at the head office in Bahrain. The position involves working with a professional tearn in a challenging and highly computerised environment.

The ideal candidate would have a suitable accounting/insurance qualification with post qualification audit experience, and would be in the thirties to early forties.

The position offers a competitive tax-free salary and attractive expatriate benefits which include excellent furnished accommodation, insurance and medical covers. children's education assistance, leave travel, end of service benefit, etc.

Please send applications marked with job reference - AUDIT/89 together with C.V. to: Head of Personnel & Training, C/o Arab Insurance Group, Plantation House, 8th floor, Section B, 31-35 Fenchurch Street, London EC3M 3 DX, United Kingdom, or fax to Bahrain on (0973) 531 155/530289.



ARAB INSURANCE GROUP (BSC) (المجموعة العربية المتابية المرب
Financial Planning Manager

Innovative Marketing-Led **Consumer Goods Company**

c£40,000 + Car + Benefits

West of London



Our client, a highly profitable autonomously run UK susidiary, part of a major US corporation operating worldwide, successfully manufactures, distributes and merkets a comprehensive range of quality branded consumer goods. Their commitment to product development, combined with an innovative marketing approach serves as an excellent basis for continued growth and profitability.

They are now seeking to appoint a Financial Planning Manager. Reporting directly to the UK Finance Director, and working closely with the Managing Director, your responsibilities will include:

- The management and motivation of a small team of qualified
- Acting as the focal point, within finance, for senior sales, marketing and operational management Advising on the financial implications of a broad range of commercial
- Enthusiastically promoting the role of finance throughout the company

 Anticipating and tackling key operational issues affecting profitability Short and medium term financial planning

 Ensuring the production of accurate monthly management information For this key appointment candidates will be qualified accountants of the highest calibre, 30-35 years old, experienced in operating at the most senior level in a decision support role, preferably within a high volume marketing led environment. An open confident personality, a commercial professional approach, and an ability to build relationships at all levels are essential qualities needed to succeed in this challenging role. There are excellent career development opportunities throughout the group.



For further information and a confidential discussion contact John Bowman or Neil Wax on 01-387 5400 (evenings on 0474 874473/0923 819298) or write to us at Financial Selection Services, Drayton House, Gordon Street, London WC1H 0AN quoting reference 10106.

TUNANCIAL DIRECTOR DESIGNATE COMPANY SECRETARY GLASGOW

negotiable package

Our clients are a long established trading group with companies currently active in the electrical wholesale distribution and gaming and leisure machines sector. The management is currently seeking profitable areas of diversification and expansion.

They require a mature and ambitious chartered accountant, not only with the qualifications and experience to run the financial functions of the group efficiently, but also having the flair and commitment to contribute significantly to the strategic planning necessary for the future development of the group.

He/she must have experience at a senior supervisory level in a commercial or industrial environment and must have a "hands on" knowledge of strategic planning and investment appraisal techniques, It is anocipated that the candidate will be aged mid-thirties to mid-forties.

This is a unique opportunity to contribute at board level in a dynamic privately owned group. Therefore an excellent remuneration package and future equity participation are on offer to the right candidate.

Should you be seeking a new challenge please write enclosing a full curriculum vitae to the Executive Recruitment Section of



Chartered Accountants IAMES SELLARS HOUSE 144 WEST GEORGE STREET, GLASGOW G2 2HG. TELEPHONE: 041-331 281L

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GROUP TAXATION ASSISTANT £27,000 + Car + Benefits

This major financial services group requires a Professional Accountant at its new corporate headquarters in Weybridge, Surrey.

Responsibilites include providing a complete tax service to a number of trading companies, advice to directors and management of the parent and subsidiaries, controlling group tax reliefs, setoffs and

Benefits include non-contributory pension, mortgage subsidy and share options.

Please contact Alan Richards, Personnel Department, 80 Holdenhurst Road, 8oumemouth BH8 8AL. Telephone: (0202) 407308.

東京オフィスにおける

マネージング・ディレクターを求めます

公立: 当インクーセック・リサーチ社は15年間におよぶ独創的な役式のフォーマンス側定調査、及び投資コンサルティング活動の結果、国際投資エ界でに協議の②成長をして参りました。ニューヨークでは、及びロントン。間でオフィスを提供しています。今後も意識的に対しい原因をしている所定であり。特に日本市場に注目していることはいうまでもありません。 仕事内容: 私どもの東京オフィスに設立以来6年間、ポートフィリス・フィンファンのでは、エー・カー・ 仕事内容: 私どもの東京オフィスは設立以来6年間、ポートフォリオ・パフィーマンス河で設立、及び、コンサルティング・サービス通知において、常に他社をリートとまました。新商品、新市場を開発していっている。としている方、すでに当社の日本におけらクライアントとなっている40社の企業にサービスを提供しては奈原の可能はを持ちたの会となることでします。米国コネチカット州。ステンフィードの本社社及直認となります。資格: 日本の機関投資家本界で、定計ある実績を持っていること、資際市場に関連していること、大章以上、資格に関連していること、大章以上、養殖り、あなたの能力と実績に応えます。有来。特も株学和への報告前り スパッ このようなフロフェッショナルで、且つ起来家精神に満ち、急度長 を続ける当社の日本におけるビジネスで先降を切っていきたいと思 われる方は経歴など自己PR文(covering letter)を下記まで郵送。又

はファックスであ送り下さい Intersec Research Corporation Attn: David Booher, Senior Vice President, Hill House, 2nd Floor, 6 Albemarle Street, London W1X 3HF. Fax Number: 01-409-0843

GROWTH, ADMINISTRATION, **CORPORATE PROBLEMS?**

Big 8 accountant with broad European management experience available to help. Contact: CBC Consultants S6 Highlands Heath London SW15 3TY or 01-788-9548,

MANAGEMENT **ACCOUNTANT**

Basic Salary up to €25,000

Oxford

Our client is a substantial major national organisation who are looking to fill a new senior position of Management Accountant.

Working within the Sales Department, the core responsibility is the provision of a financial and accounting service for the sales management team. This will include planning the budgetary cycle, monitoring costs and expenditure against those agreed budgets, examining credit control and pricing policies and incentives. Close liaison with the Central Finance Unit will be required. The successful candidate will be a qualified proactive accountant who has experience of working within a commercial/sales environment — probably currently working within fincg or service industries looking to develop a career in a forward looking environment.

Please apply in writing quoting reference number ||1/2733 to ||1| Lye at Illingworth and Associates, Executive Search and Selection Consult The Courtyard, 24 High Street, Hungerford, Berkshire RG17 ONF. Tel: (0488) 83881. Fax: (0488)82147,

Mlingworth

BUSINESS ANALYSTS

Our client is a major International Group with extensive interests in Europe and North America. Continued growth and highly focused development plans have dictated the need to recruit one or two exceptional young business professionals

to join the corporate management team based in the London Head Office.

You can expect to be involved in developing business strategy in both UK and
International markets, identify and analyse acquisitions and disposal
opportunities, assist in negotiations and review post acquisition performance or ecome involved with long term business strategy.

Applications are invited from MBA graduates with a commercial

background, aged between 26 and 32, who can demonstrate practical business and acquisition experience as well as having an excellent academic background. A working knowledge of at least one European language would be

The successful applicants are likely to enjoy a high profile role and need to be able to operate effectively when exposed to main Board decision making. Business flair, creativity and energy will be rewarded with an excellent remuneration package which will include a fully expensed car, contributory pension scheme, profit share and share options.

Interested candidates should send a comprehensive curriculum vitae including a daytime telephone number, in the strictest confidence to:

Peter Willingham (Ref. 86)

Cambridge

Managing Director HODGSON IMPEY SEARCH & SELECTION LTD 50 Pall Mall, London 5W1Y5JQ Fax No: 01-976 1116

Financial Controller

(Director Designate)

C. £35,000 car

Our client is an axpanding medium sized group whose major interests are in property development, architecture and construction. Their considerable success has been based on a totally new approach to the commercial property marketplace. They now seek to appoint e Financial Controller to be e righthand person to the Managing

Your broad area of responsibility will include the control of an established accounts department, preparation of group accounts, development funding, systems control, provision of timely reports and liaising with group bankers.

As a qualified accountant (under40), you are looking for e position which will allow you to influence the direction of the group and ahape your own future. Hence a strong personal presence, resilience, high-level communication and leadership skills are essential.

Pleasa write in completa confidence enclosing career details to Charles Davenport quoting reference CED/2790.



Deboo Executive

102 OLD STREET LONDON EC1V 9AY TEL: 01-253 1216 (24 hrs) FAX: 01-253 2750

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Elizabeth Arthur ext 3694

INTERNATIONAL TAX MANAGER

London

c£50,000 + Benefits

Our client is a major international firm of Chartered Accountants whose current growth in multinational business now gives an opportunity for a high calibre manager to build his/her own niche department.

As well as giving international tax planning advice to a wide range of multinational clients, there will be the opportunity to become involved at an early stage and play an important role in the tax structuring of international business deals and projects.

Candidates aged 30-50 are likely to be graduate Chartered Accountants and/or members of the Institute of Taxation and may be currently with another chartered practice, a legal practice, an international company or the Inland Revenue. They should be able to demonstrate a high level of technical ability, originality of mind and well developed interpersonal skills. Future prospects are unlimited for the achiever.

For further information please contact D. E. Shribman or write to him at the



BUSINESS SERVICES MANAGERS

London

To £35,000 +Benefits

The Business Services Group of a major international firm of Chartered Accountants seeks to two commercially recruit orientated managers. Many of the group's clients are run by entrepreneurs without the support of a Finance Director. They therefore look to the group for a comprehensive range of financial and general business advice.

Candidates will be qualified accountants with relevant sector experience gained within the and/or industrial/ profession commercial experience. Business advisory skills are as important as technical expertise.

There will be every opportunity for career progression within the medium term.

Please contact D. E. Shribman for further information or write to him at the address below.



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Finance Manager

North Cambs

To £25k + Car + Benefits

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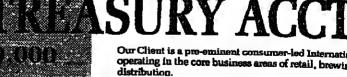
Our client is a privately owned manufacturer and supplier of point of sale displays. They have a turnover of around £3m pa and are market leaders in their specialist area. The company is entering a period of sustained growth and now seeks to appoint a Finance Manager. Reporting to the Managing Director this position carries full responsibility

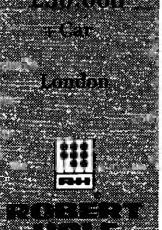
for the finance function and company secretarial duties. Specific challenges will include the development of a new integrated management information system and introduction of a new costing system together with performance monitoring. This key role calls for an Accountant, preferably qualified, familiar with a manufacturing environment who is computer literate, enthusiastic and a good

communicator. Career prospects are excellent for the right candidate. The salary package is comprehensive which includes car, results oriented bonus, pension, BUPA, life assurance and PHI. Relocation assistance will be considered where necessary.

Interested applicants should send, in complete confidence, a detailed Curriculum Vitae including current salary and daytime telephone number to Phillip Price ACA, quoting reference LM 625 at Spicers Executive Selectioo, Leda House, Station Road, Cambridge, CB1 2RN. Telephone (0223) 460222.







operating in the core business areas of retail, brewing and

Continued growth has led to the recent enhancement of the Treasury function. Reporting to the Assistant Treasurer, you will be responsible for coordinating and analysing management win be responsible in continuous and analysing manage information relating to foreign exchange transactions. In addition, you will prepare and review forecasts, plans, profitability and performance management for treasury operations. A challenging element of this role will be the implementation and development of a new computer system. This is an excellent opportunity to be at the hub of s dynamic

and highly competitive organisation. Candidates aged 25-30 should be recently qualified ACAs with experience of computerised accounting systems.

Please apply directly to Collette Harrison at Robert Half, Freepost, Walter House, Bedford Street, 418 The Strand, London WC2R 08R. Telephone 01-838 3545, or evenings on 01-771 6457. Alternatively, fax your details on 01-838 4942.

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